

Report of the Auditor General of Canada to the
Northwest Territories Legislative Assembly

Protected and Conserved Areas in the Northwest Territories



**Independent Auditor's
Report | 2025**



Office of the
Auditor General
of Canada

Bureau du
vérificateur général
du Canada

This publication is available on our website at www.oag-bvg.gc.ca.

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Cat. No. FA3-197/2025E-PDF

ISBN 978-0-660-76915-8

Cover photo: Office of the Auditor General of Canada

At a Glance



Overall message

Creating a strong network of protected and conservation areas helps governments foster the long-term health of the natural environment, conserve biodiversity, and sustain cultural practices and economic development. Through its 2023–28 Healthy Land, Healthy People work plan, the Government of the Northwest Territories has set priorities that include establishing new protected areas, supporting the effective management of existing areas, and securing long-term funding for those initiatives.

We concluded that the government was on track to secure sustainable, long-term funding for protected areas, in line with the renewed Healthy Land, Healthy People plan. In a pivotal first step, the government had worked collaboratively with Indigenous governments to successfully conclude the Northwest Territories Project Finance for Permanence, which created a long-term financing model for Indigenous-led conservation activities. This will serve as an important support for Indigenous governments in their efforts to steward the land.

The project will also better position the government and other partners to advance other priorities in Healthy Land, Healthy People, including planning and decision-making on the establishment of protected areas, particularly in the Dinàgà Wek'èhodì and Dehcho regions. We concluded, however, that the government still needed to develop an action plan and timelines to advance the decision-making process for each candidate area.

We also found that the government's efforts to develop more effective and equitable systems for managing protected and conservation areas were still in development. While progress was made to implement the plans, we found shortcomings, including a lack of structured monitoring of the implementation agreements and insufficient Indigenous representation in hiring processes.

While important steps have been taken to fund conservation efforts led by Indigenous governments, we found that the Department of Environment and Climate Change had not secured permanent funding to effectively sustain its own activities. This negatively affected the government's ability to provide stable staffing and other resources to support conservation efforts and collaborate with Indigenous governments and Indigenous organizations.

Key facts and findings



- As of 2023, the Northwest Territories had 15.8% of its terrestrial areas under protection, compared with 13.7% for Canada as a whole.
- If Dinàgà Wek'èhodì and candidate protected areas in the Dehcho region become established protected areas, together these areas could represent up to an additional 23,521 square kilometres of protected land and inland water in the Northwest Territories, which amounts to 1.7% of the total area of the Northwest Territories.
- In the 2023–24 fiscal year, about 41% of funding for the conservation network expenditures came from annual federal funding.

See [Recommendations and Responses](#) at the end of this report.

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Introduction

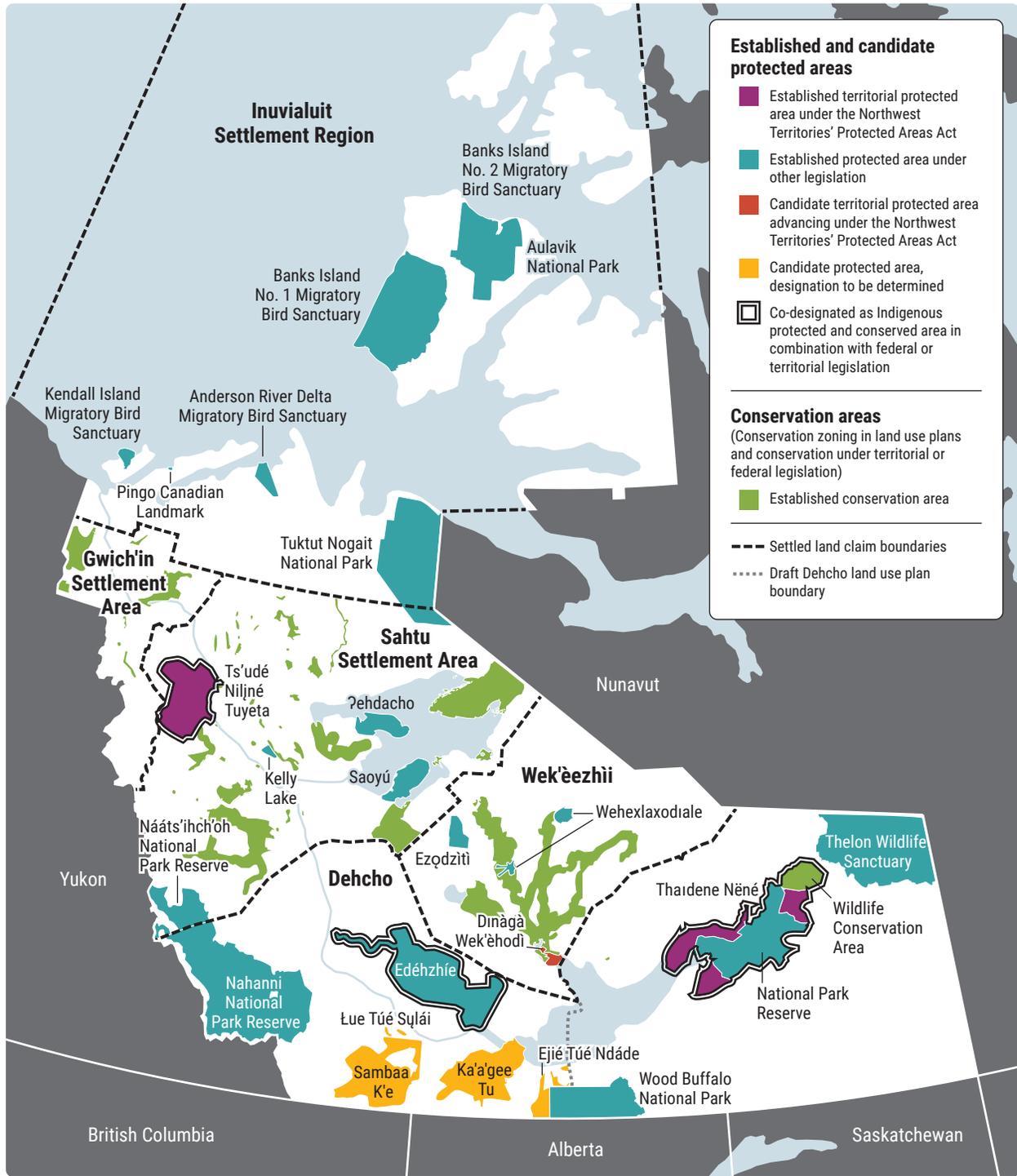
Background

Conservation network

1. The protection and conservation of biodiversity—the variety of life on Earth at all levels from genes to species to ecosystems—is vital for its inherent value and for sustaining economic activities, community health and well-being, food security, ecosystem services, and climate change adaptation and mitigation. The biodiversity in the Northwest Territories is found in a vast area of land and water that Indigenous people have stewarded for countless generations.
2. There are approximately 45,000 people in the Northwest Territories, of whom approximately half are Indigenous people, inhabiting an area of over 1.3 million square kilometres. This territorial population carries the responsibility for the stewardship, protection, and conservation of its land and water, against which the Government of the Northwest Territories must balance extractive interests, such as oil and gas, needed to sustain the territory's economy and support its communities.
3. One of the main means of conserving biodiversity in the Northwest Territories is by creating a system of protected areas and conservation areas that together form a conservation network. The Northwest Territories terrestrial conservation network is the topic of this report (see [Exhibit 1](#)).
4. According to the government, protected areas are permanent and free of industrial development. They are internationally recognized as the most effective and proactive way to conserve the land in perpetuity. Conservation areas offer complementary but less restrictive protection. The government reports conservation areas as other effective area-based conservation measures to the Canadian Protected and Conserved Areas Database.
5. In addition, there are 3 types of protected areas:
 - territorial protected areas designated under the Northwest Territories' [Protected Areas Act](#)
 - protected areas under other legislation
 - Indigenous protected and conserved areas created under Indigenous law, which can be combined with other legal mechanisms though this is not required

6. The Northwest Territories terrestrial conservation network ([Exhibit 1](#)) is an important mechanism to manage for the long-term health of the natural environment, cultural continuity, and sustainable economic development for current and future generations. Taken as a whole, this conservation network contributes more effectively to maintaining the integrity of ecosystems, protecting biodiversity, and sustaining cultural continuity in the Northwest Territories than individual protected areas and conservation areas could alone.
7. Data reported as of December 2023 by the Canadian Protected and Conserved Areas Database—a tool that provides spatial data on marine and terrestrial protected areas and other effective area-based conservation measures in Canada—shows that 15.8% of the Northwest Territories terrestrial area (land and inland water) was protected and conserved. Of this amount, 1.4% was designated as a territorial protected area under the Northwest Territories' Protected Areas Act. [Exhibit 2](#) shows the percentage of protected and conserved land and inland water compared with all of Canada from 1990 to 2023, as well as Canada's national targets. The percentage of land and inland water conserved within the Northwest Territories was higher than the percentage conserved across Canada as a whole.
8. The Government of the Northwest Territories has committed to an Indigenous-led approach to protected areas and conserved areas, so that no such new areas will be established without working in collaboration with Indigenous people. Indigenous communities have been the guardians and keepers of their lands and waters for generations.
9. Through the process of colonization, however, this stewardship was disrupted due to federal and territorial policies and practices that overlooked, suppressed, and excluded Indigenous knowledge from decision-making processes, hindering Indigenous people's ability to continue to directly steward their land sustainably. This exclusion has historically eroded the trust between public governments and Indigenous partners. Indigenous-led conservation is about returning to Indigenous people the sacred duty of protecting their land and water on the basis of their knowledge and practices, which is an important step in advancing equitable, effective, and sustainable outcomes under reconciliation.

Exhibit 1—The terrestrial conservation network in the Northwest Territories

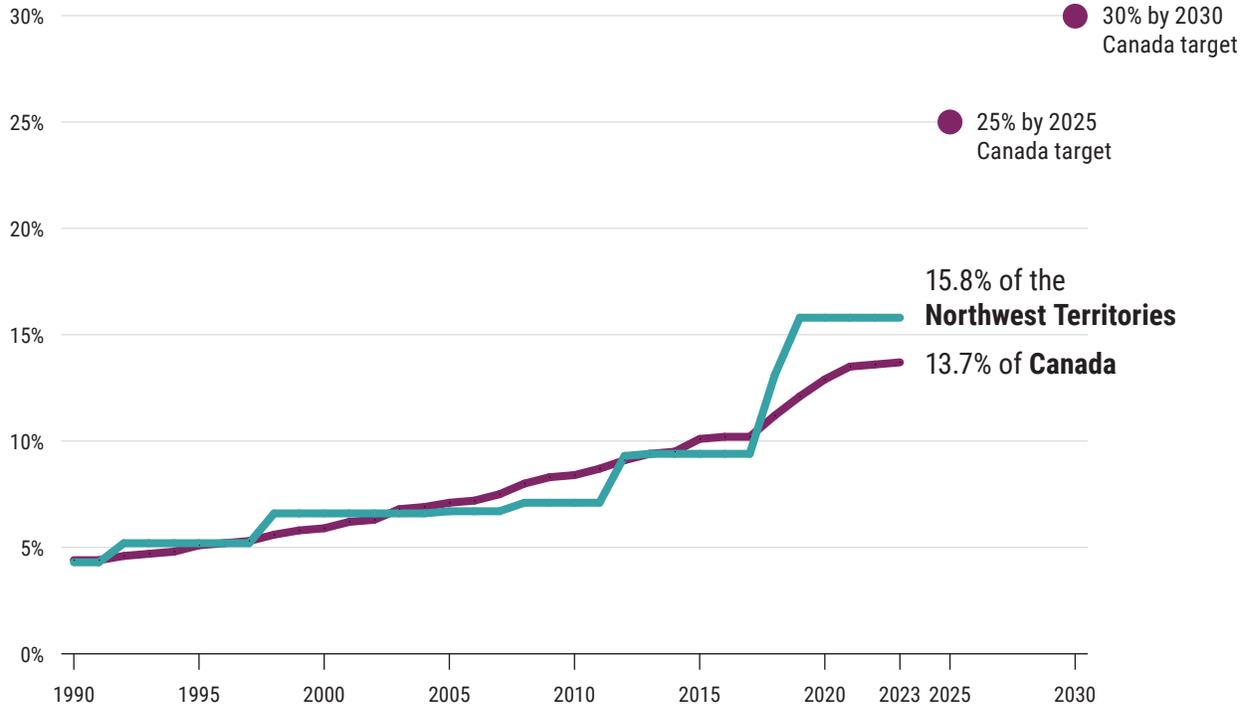


Source: Adapted from an Environment and Climate Change map

[Read the Exhibit 1 text description](#)

Exhibit 2—The percentage of land and inland water conserved in the Northwest Territories compared with land and inland water conserved in all of Canada, 1990 to 2023

Percentage of land and inland water



Source: Based on data from Environment and Climate Change and the Canadian Protected and Conserved Areas Database

[Read the Exhibit 2 text description](#)

Healthy Land, Healthy People work plan

10. The Government of the Northwest Territories has undertaken various efforts over the years to strengthen the conservation network. In 1999, the finalization of the Northwest Territories Protected Areas Strategy formalized a collaborative planning process involving communities, governments, environmental non-governmental organizations, and industry. Building on this strategy, in 2016, the government launched its first Healthy Land, Healthy People 5-year work plan to guide its efforts to expand the conservation network. The most recent version of the renewed work plan covers 2023–28. These efforts are expected to contribute to national and international biodiversity targets in a manner that is effective and equitable for the Northwest Territories.

11. Consistent with these efforts is the government's recognition of the critical role of Indigenous people in the stewardship of the land. Healthy Land, Healthy People was informed by Indigenous people and Indigenous knowledge to support conservation efforts to ensure that they are culturally, ecologically, and socio-economically appropriate for the Northwest Territories and reflect the principles set out in the United Nations Declaration on the Rights of Indigenous Peoples.

12. Of the 5 priority outcomes of the renewed Healthy Land, Healthy People work plan, we selected to focus on the 3 related to the management and expansion of the conservation network:

- Priority Outcome 1: Advance planning and decision-making on the establishment of protected areas
- Priority Outcome 2: Support the effective and equitable management of national, territorial, and Indigenous protected areas and conservation areas
- Priority Outcome 4: Pursue sustainable, long-term funding for the establishment, planning, management, and operations of protected areas

Roles and responsibilities

13. **Environment and Climate Change.** This department is responsible for ensuring that the land, water, wildlife, and environment in the Northwest Territories are well managed and sustainably used, and it is the territorial lead for climate action.

14. **Industry, Tourism and Investment.** This department is responsible for promoting economic self-sufficiency through the responsible development of the Northwest Territories' mineral and petroleum resources; natural resource industries, including agriculture, commercial fishing, and the traditional economy; and tourism. The department is also responsible for funding, support, and marketing initiatives designed to foster a positive economic environment in the Northwest Territories.

15. **Executive and Indigenous Affairs.** This department is responsible for providing overall management and direction to the executive branch of the Government of the Northwest Territories; ensuring that mutually respectful intergovernmental relations between the territorial government and Indigenous, provincial, territorial, national, and international governments are developed and maintained; and negotiating and implementing land, resources, and self-government agreements that address Aboriginal rights in the Northwest Territories.

Focus of the audit

16. This audit focused on whether the Government of the Northwest Territories—the Environment and Climate Change, the Executive and Indigenous Affairs, and the Industry, Tourism and Investment departments—is on track to achieve the 3 outcomes identified in the renewed Healthy Land, Healthy People work plan that we selected for this audit. These outcomes focused on protecting biodiversity and ecological integrity, as well as sustaining cultural practices and economic development for current and future generations through the conservation network.

17. This audit is important because protection and conservation of biodiversity is vital for its inherent value and for maintaining essential ecosystem services and benefits (that is, food, medicines, air, water, land, wildlife, and forests that contribute substantially to economic and human well-being), climate stability, and cultural heritage. The protection and conservation of biodiversity is of particular importance to the spiritual and cultural well-being of Indigenous people and aligns with the principles set out in the United Nations Declaration on the Rights of Indigenous Peoples.

18. More details about the audit objective, scope, approach, and criteria are in [About the Audit](#) at the end of this report.

Findings and Recommendations

The Government of the Northwest Territories had made timely progress in pursuing sustainable, long-term funding for protected areas

Why this finding matters

19. This finding matters because reliable, sustainable funding is essential for the effective establishment, management, and operation of new protected areas as well as the ongoing implementation associated with all existing and future ones.

20. Reliable funding reduces reliance on short-term resources and allows for strategic planning, capacity building, and long-term resilience to withstand environmental impacts due to climate change and competing economic interests from natural resource extraction over time. The combination of vast, remote geography and sparse population creates unique sustainability challenges for the Northwest Territories government. Reliable, sustainable funding for protected areas and conserved areas is essential to support remote communities over long distances and to overcome high operating costs.

Context

21. In the renewed 2023–28 Healthy Land, Healthy People work plan, there were 2 milestones for “Priority Outcome 4: Pursue sustainable, long-term funding for the establishment, planning, management, and operations of protected areas”:

- Finalize the Project Finance for Permanence (PFP) framework agreement
- Finalize the PFP agreement

In our opinion, this priority outcome is critical to support the government’s efforts to advance its conservation priorities.

Timely progress with the signing of the Project Finance for Permanence agreement

Findings

22. We found that in 2022, the Government of the Northwest Territories along with representatives from 22 Indigenous governments in the Northwest Territories, the federal government, Indigenous organizations, and private donors began discussions for the PFP project (see [Exhibit 3](#)), which sought to establish a sustainable conservation financing model for Indigenous governments to undertake conservation and stewardship activities. These parties established a working group and prioritized the establishment of a governance model and terms of reference.

23. We found that these parties implemented practices and approaches to help achieve success for the project (see [Exhibit 4](#)). For example, with a full complement of representatives around the negotiating table, initial timelines and work plans were established among the parties, with the initial objective being to complete the work ahead of fall 2023. Although delays were encountered due to events such as the 2023 wildfire evacuation of Yellowknife and surrounding communities, parties collaborated and made adjustments throughout the project:

- The Northwest Territories PFP framework agreement was finalized and signed on 13 October 2023.
- New legislation, the [Northwest Territories Indigenous-Led Conservation Fund Establishment Act](#), was granted assent on 1 November 2024. This created a not-for-profit trust that would manage the initial fund and future contributions in accordance with the PFP agreement.
- The PFP, named the Northwest Territories: Our Land for the Future final agreement, was signed by the Government of the Northwest Territories, the Government of Canada, Indigenous governments, Indigenous organizations, and private donors on 14 November 2024.

Exhibit 3—Highlights of the Project Finance for Permanence

Goal

- To support ongoing Indigenous-led stewardship of lands and waters in the Northwest Territories
- Indigenous communities plan to contribute over 2% toward Canada’s international commitment to conserve 30% of its lands and waters by 2030

Partners

- 22 Indigenous governments and Indigenous organizations in the Northwest Territories
- Government of Canada
- Government of the Northwest Territories
- Private philanthropies, led by The Pew Charitable Trusts

Funding commitments

- Up to \$375 million was committed over the initial 10-year period of the agreement:
 - Up to \$300 million from the Government of Canada
 - Up to \$75 million from philanthropic donors, based on a 1:4 matching commitment of private to public funds (and up to an additional \$25 million if subsequent contributions are made by Canada prior to the end of 2030)
 - How the funds are to be managed:
 - \$285 million disbursed directly to Indigenous partners through a conservation fund to support Northwest Territories Indigenous governments to undertake conservation and stewardship activities over the initial 10-year period
 - \$90 million contributed to an endowment fund to sustain ongoing activities and operations beyond the initial 10-year period
-

Source: Northwest Territories: Our Land for the Future

24. We found that Environment and Climate Change and the parties to the agreement were in the process of operationalizing the project. This included, for example, the selection of an accredited trust fund manager required to receive and administer the \$375 million. In our opinion, this positive achievement was a result of multiple factors, which we detail in [Exhibit 4](#).

Exhibit 4—Key factors led to the successful conclusion of negotiations for the Project Finance for Permanence

-
- All interested parties, including the Government of the Northwest Territories, the Government of Canada, Indigenous governments, Indigenous organizations, and private donors, were represented at the negotiating table and formed the negotiation working group.
 - Terms of reference were collaboratively drafted and established in the earliest stages of negotiation and featured a consensus-based approach centred on an Indigenous-led process, collaborative co-drafting of the agreements by all parties, and capacity support participation for all representatives engaged in the process.
 - Senior, knowledgeable representatives of all negotiating governments and organizations shared their perspectives and reported back with options and advice. Overall, these representatives remained the same throughout the negotiations.
 - Representatives committed and prioritized an intensive meeting schedule to ensure outcomes were achieved as timely as possible.
 - Outside experts were brought in at the right times to serve as convenors, or facilitators, for all partners engaged in the negotiations and to support the working group in developing options, seeking solutions, and advancing negotiations.
 - Parties actively incorporated Indigenous cultural practices into every meeting, such as having opening and closing prayers.
 - Indigenous-led consensus decision-making, knowledge, and practices were recognized, valued, and incorporated into the process and agreements.
 - Sharing lived successes and challenges with working group members with respect to implementing protected areas was a valued part of the process. There was an openness to seeking and incorporating perspectives of others outside of the Northwest Territories who pursued similar objectives.
-

Source: Based on perspectives and experiences shared by Indigenous governments, Indigenous organizations, and territorial and federal representatives involved in the Project Finance for Permanence

The government had made limited progress in planning and decision-making on establishing protected areas

Why this finding matters

25. This finding matters because effective planning and decision-making are critical steps in establishing protected areas to conserve biodiversity, protect ecosystems, and support cultural and economic values.

26. Expanding the conservation network in the Northwest Territories brings greater confidence to all residents of the Northwest Territories, in particular Indigenous people, regarding what land will be protected

to sustain their ways of life for current and future generations and what will be available for other uses. It also contributes toward national and international goals for biodiversity protection.

Context

27. There were 2 objectives in the renewed 2023–28 Healthy Land, Healthy People work plan for “Priority Outcome 1: Advance planning and decision-making on the establishment of protected areas”:

- to conclude Dinàgà Wek’èhodi negotiations toward decision-making on establishing the candidate protected area under the [Protected Areas Act](#)
- to conclude decision-making on candidate protected areas under the former Northwest Territories Protected Areas Strategy in the Dehcho region

28. Together, these areas could represent up to an additional 23,521 square kilometres of protected land and inland water in the Northwest Territories, which amounts to 1.7% of the total area of the Northwest Territories.

Agreement with Indigenous governments for Dinàgà Wek’èhodi was partially drafted

Findings

29. We found that Environment and Climate Change, in collaboration with the relevant Indigenous governments and Indigenous organizations, drafted a partial multi-party establishment agreement for Dinàgà Wek’èhodi in December 2022. Establishment agreements are written nation-to-nation agreements to establish a protected area and include an outline of the roles and responsibilities of each party.

30. We found that many of the provisions of this draft were based on existing establishment agreements that formed the Thaidene Nënë Territorial Protected Area and the Ts’udé Niljné Tuyeta Territorial Protected Area. However, other provisions had been adapted or were unique, reflecting the approaches of the Indigenous governments and Indigenous organizations that will eventually be parties to the agreement. This included the composition of the management board that will be responsible for the strategic direction and advice on the operations of the territorial protected area.

31. Although a partially drafted agreement exists, we found that negotiations had stalled over the distribution of seats allocated to each Indigenous government in the management board. Parties had not met collectively since late 2022 to discuss the multi-party establishment agreement or the governance structure. We found that the Indigenous governments had signalled to Environment and Climate Change that the

department should take the lead on finding a path forward. Although representatives from Environment and Climate Change had held bilateral discussions on other topics with the parties since then, an agreement regarding seat allocation had not yet been reached by the end of our audit period.

32. Our recommendation for this section is at [paragraph 38](#).

Ongoing discussions with Indigenous governments to establish protected areas in the Dehcho region

Findings

33. Discussions have been underway since the early 2000s between the Government of the Northwest Territories, the Government of Canada, and Indigenous governments on the 5 candidate areas in the Dehcho region. We found that negotiations between Environment and Climate Change and Indigenous governments concluded on only 1 of the 5 candidate protected areas in the Dehcho region. Edézhíe was established as an Indigenous protected area under Dehcho law in 2018 and a national wildlife area under the [Canada Wildlife Act](#) in 2022.

34. There are 4 remaining candidate areas: Samba K'e, Ka'a'gee Tu, Łue Túé Słái, and Ejié Túé Ndáde. Priority outcomes under the 2016–21 version of Healthy Land, Healthy People also included concluding on the appropriate mechanism for protection and conservation for each candidate area. As the negotiations on the candidate areas were not concluded, the outcome was carried forward to the latest version of the work plan.

35. Progress within the last 5 years regarding the establishment of the remaining candidate protected areas involved Environment and Climate Change along with Executive and Indigenous Affairs working with the Dehcho Protected Areas Communities Group. This working group, comprising representatives from the Dehcho First Nations of the 4 candidate areas, was formed to evaluate land protection and conservation mechanisms available, including through their own Indigenous laws as well as those available territorially and federally, and provide members with advice and information.

36. We found that the focus of the government and Indigenous governments on the negotiations to finalize the Project Finance for Permanence resulted in less effort placed on advancing discussions to conclude negotiations on candidate protected areas. In our opinion, this was a reasonable approach. The complexity and scope of the negotiations to establish candidate areas required more time and discussion among the parties.

37. With the signing of the Northwest Territories: Our Land for the Future agreement by the Government of the Northwest Territories and Indigenous governments at the end of 2024, we believe that Indigenous governments will be better positioned to advance discussions with the Government of the Northwest Territories regarding which mechanism for land protection to pursue. They will expect Environment and Climate Change to have the capacity to support their efforts.

Recommendation

38. Environment and Climate Change, supported by Executive and Indigenous Affairs, should collaborate with Indigenous governments representing Dìnàgà Wek'èhodì and the 4 Dehcho region candidate areas to develop a plan of action and timelines to advance the decision-making process for each candidate area. This should be completed within a year.

Environment and Climate Change's response. Agreed.

See [Recommendations and Responses](#) at the end of this report for detailed responses.

The government's systems and practices for managing the conservation network were still in development

Why this finding matters

39. This finding matters because Indigenous governments and Indigenous organizations, among other partners, rely on the government to be a committed and contributing partner in managing the Northwest Territories conservation network. Efficient and effective systems and practices for managing the conservation network along with sufficient resources, including reliable, long-term sources of funding within the territorial government, are needed to achieve this.

Progress made to support the effective and equitable management of national, territorial, and Indigenous protected areas and conservation areas

Findings

40. There are 4 objectives for the renewed Healthy Land, Healthy People work plan's "Priority Outcome 2: Support the effective and equitable management of national, territorial, and Indigenous protected areas and conservation areas" to be achieved by 2028. Each objective has related milestones that we assessed ([Exhibit 5](#)).

Exhibit 5—Most Priority Outcome 2 milestones were partially completed by the Government of the Northwest Territories

Objective number	Objective	Milestone	Assessment
2.1	Develop regulations for Thaidene Nënë Indigenous Protected and Conserved Area (IPCA) and Territorial Protected Area and implement regulations for Ts'udé Niljné Tuyeta IPCA and Territorial Protected Area	Finalize regulations for Thaidene Nënë* and draft policies for both Ts'udé Niljné Tuyeta and Thaidene Nënë	 Milestone partially completed
2.2	Assist with the responsibilities of protected area and conservation area management boards	Complete the first management plans for both Ts'udé Niljné Tuyeta and Thaidene Nënë	 Milestone not yet completed
2.2	Assist with the responsibilities of protected area and conservation area management boards	The Government of the Northwest Territories administrative processes are in place to implement the regulations and establishment agreements	 Milestone partially completed
2.3	Work with territorial protected area management boards to monitor protected areas to establish a current baseline	Develop and deliver monitoring programs for each established protected area	 Milestone partially completed
2.4	Support the development and implementation of Guardians programs	Provide funding, training, or other in-kind support for Guardians programs in protected areas and conservation areas when requested and as available	 Milestone partially completed

* Regulations for Ts'udé Niljné Tuyeta were established prior to the development of the 2023–28 version of the Healthy Land, Healthy People work plan.

Source: Based on our analysis of information from Healthy Land, Healthy People: GNWT Priorities for the Northwest Territories Conservation Network 2023–2028, Government of the Northwest Territories

41. We found that the government had partially completed the milestone with respect to objective 2.1. For example, we found that some interim policies were drafted for the Thaidene Nënë Territorial Protected Area. To date, 3 draft policies were developed that covered leasing, tourism operator licensing, and communications. The policies will be finalized once the management plans have been approved and changes to territorial legislation, for example, governing tourism, are made.

42. We also found that, although the work was not completed, draft regulations for Thaidene Nënë were co-developed using the Intergovernmental Council Legislative Development Protocol. In accordance with the protocol, a technical working group was established and included representatives from Environment and Climate Change, relevant departments such as Executive and Indigenous Affairs, and interested Indigenous governments.

43. We found that the draft management plans for Thaidene Nënë and Ts'udé Niljné Tuyeta were not finalized within 5 years of the signing of the establishment agreements, which was linked to objective 2.2. Both Environment and Climate Change and the management boards of the respective territorial protected areas recognized that delays occurred. The parties acknowledged the significant impact of unforeseen events, such as the COVID-19 pandemic, flooding, and wildfire evacuations, which delayed timelines for the plans.

44. We found that through its senior party representatives to the operational management boards and interdepartmental consultations, Environment and Climate Change provided support in the development of the draft management plans. The final draft for the Thaidene Nënë management plan was expected to be released in early 2025, while the completion date for the Ts'udé Niljné Tuyeta management plan was unknown. Once completed, the management plans will provide foundational, strategic direction for the future development of all policies and monitoring activities within the territorial protected areas. These management plans and the effort invested in their development are critical to protection and conservation.

45. We found that the government had put in place some administrative practices to manage the conservation network as part of objective 2.2. However, we found that not all were working as intended. These shortcomings, discussed in the following 3 sections of this report, pertain to

- [lack of Indigenous representation in hiring processes](#)
- [no structured monitoring of progress in implementing establishment agreements](#)
- [unsustainable reliance on short-term funding for the government's own operations](#)

46. We also found that Environment and Climate Change supported the development of some monitoring programs in the territorial protected areas for objective 2.3. Their departmental senior party representatives and other support staff worked primarily with the operational management boards of the territorial protected areas to implement monitoring programs to support environmental baseline research.

47. These monitoring programs included interviews with Elders and other knowledge holders to identify and document historical water levels and animal migration pathways in the protected areas. Examples of such programs were water sampling and wildlife track surveillance. Collaborations with universities, such as biodiversity monitoring programs using remote cameras in both Ts'udé Niljné Tuyeta and Thaidene Nënë since 2020, have contributed to the territory-wide biodiversity monitoring program under development by Environment and Climate Change. However, comprehensive monitoring programs will be completed only once the management plans of both territorial protected areas are finalized.

48. Finally, regarding objective 2.4, we found that the Government of the Northwest Territories provided some support to the Guardians programs in both territorial protected areas, with funding, training, or other in-kind support. The Guardians programs comprise Indigenous experts who steward lands and waters on behalf of their nations in protected areas.

49. However, we heard from Indigenous governments and Indigenous organizations that to them, the funding received represented a floor, not a ceiling, and their expectations were not met in this regard. This in turn caused a strain on the relationship between them and the government.

Lack of Indigenous representation in hiring processes

Findings

50. We found that in the 5 years since the establishment of territorial protected areas, members of the management boards were rarely involved in the planning and carrying out of hiring processes for positions or functions identified in the establishment agreements. Involvement of the management boards is integral to support employment opportunities for the implicated Indigenous communities.

51. However, we found that in 2023, improvements had been made to include the management boards in the process. Although the availability of board members to participate in these processes did not always align with the timing of them, it is essential for the relationship between the government and its Indigenous partners and for the fulfillment of the government's commitments to equity to provide opportunities to include them.

Recommendation

52. The Government of the Northwest Territories should ensure that its hiring processes, regardless of the mechanism used, involve management boards from the territorial protected areas.

The Government of the Northwest Territories' response. Agreed.

See [Recommendations and Responses](#) at the end of this report for detailed responses.

No structured monitoring of progress in implementing establishment agreements

Findings

53. We found that Environment and Climate Change did not monitor progress toward the implementation of the establishment agreements for protected areas. Although the establishment agreements called for an initial review of them to be completed within 4 years of the effective date of the establishment agreements, work with the other parties to the agreements had not yet begun, as the parties had agreed to delay this review.

54. We also found that the establishment agreements included dispute and issue resolution mechanisms, which had been used on 1 occasion. However, the government did not have an approach to address conflicts caused by factors external to the establishment agreements, which may impact the relationships between the parties.

55. In our opinion, a structured implementation plan or critical path with milestones can help drive progress. It can also prompt opportunities to take stock and compile lessons learned in partnership with Indigenous government and Indigenous organization partners. In addition, the milestones serve as opportunities to recalibrate relationships and adjust as needed.

Recommendation

56. Environment and Climate Change, Industry, Tourism and Investment, and Executive and Indigenous Affairs should collaborate with the management boards and parties to the establishment agreements of each territorial protected area to

- establish a critical path with related milestones for the implementation of the establishment agreements
- periodically take stock of lessons learned to inform adjustments to future decision-making
- periodically or as required by the critical path, assess the health of the relationship between the departments and the parties to the establishment agreement

The departments' response. Agreed.

See [Recommendations and Responses](#) at the end of this report for detailed responses.

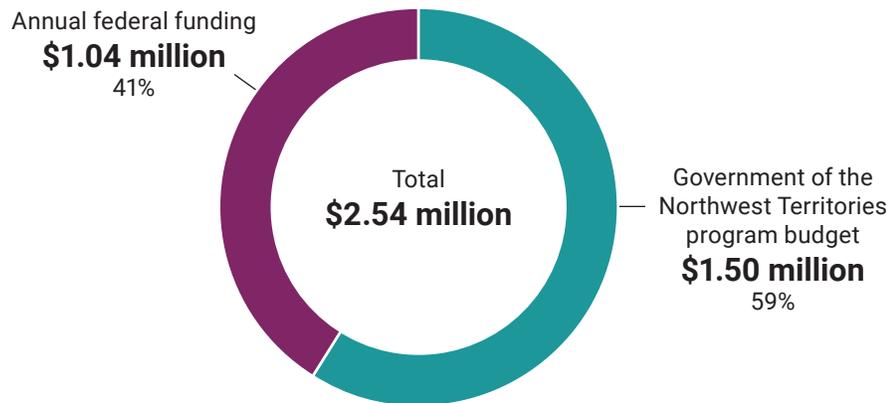
Unsustainable reliance on short-term funding for the government's own operations

Findings

57. We found that Environment and Climate Change had made efforts to secure long-term additional funding to support the conservation network, including approaching the federal government.

58. Despite these efforts, we found that the funding sources were not all long-term or permanent in nature (see [Exhibit 6](#)). For example, we found that in 2023–24, Environment and Climate Change relied on year-to-year federal funding through annual contribution agreements provided by Environment and Climate Change Canada for approximately 41% of its conservation network expenditures.

Exhibit 6—Funding sources for the conservation network's expenditures in the 2023–24 fiscal year



Source: Based on data from Environment and Climate Change

Read the Exhibit 6 text description

59. In addition, after our audit period, Environment and Climate Change completed negotiations with Environment and Climate Change Canada for the Canada–Northwest Territories Nature Agreement, which could provide up to \$20 million. However, there has only been a public announcement of \$7 million for 2025–26, and the agreement does not include a specific contribution schedule.

60. We found that year-to-year funding was a factor that affected the relationship between the parties. As a result, the supports for the conservation network were negatively impacted. For example, we found that staffing decisions related to government positions or functions, such as renewable resource officers, identified in the establishment agreements for Thaidene Nënë and Ts'udé Niljné Tuyeta were affected by the lack of long-term or permanent funding.

61. We found that short-term employment options were frequently used and that this practice increased recruitment and retention challenges. In addition, we found that increased turnover resulted in periods where positions or functions were unfilled, affecting the timeliness and effectiveness with which support was delivered. We heard from Indigenous governments and Indigenous organizations that the increased turnover placed a burden on their staff to share their Indigenous knowledge each time a new employee from the government joined the operational team of the territorial protected areas.

Conclusion

62. We concluded that the Government of the Northwest Territories was on track to achieve “Priority Outcome 4: Pursue sustainable, long-term funding for the establishment, planning, management, and operations of protected areas” under the Healthy Land, Healthy People work plan.

63. We also concluded that the Government of the Northwest Territories was on track to achieve “Priority Outcome 1: Advance planning and decision-making on the establishment of protected areas” but was missing a plan of action and timelines to advance the decision-making process for each candidate area.

64. Finally, we concluded that the Government of the Northwest Territories was on track to achieve “Priority Outcome 2: Support the effective and equitable management of national, territorial, and Indigenous protected areas and conservation areas,” but the government’s systems and practices for managing the conservation network were still in development. There was a lack of Indigenous representation in hiring processes, no structured monitoring of progress in implementing establishment agreements, and an unsustainable reliance on short-term funding for the government’s own operations.

About the Audit

This independent assurance report was prepared by the Office of the Auditor General of Canada on land protection and conservation in the Northwest Territories. Our responsibility was to provide objective information, advice, and assurance to assist the Northwest Territories Legislative Assembly in its scrutiny of the Government of the Northwest Territories' management of resources and programs and to conclude on whether the protection and conservation of land complied in all significant respects with the applicable criteria.

All work in this audit was performed to a reasonable level of assurance in accordance with the Canadian Standard on Assurance Engagements (CSAE) 3001—Direct Engagements, set out by the Chartered Professional Accountants of Canada (CPA Canada) in the CPA Canada Handbook—Assurance.

The Office of the Auditor General of Canada applies the Canadian Standard on Quality Management 1—Quality Management for Firms That Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements. This standard requires our office to design, implement, and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

In conducting the audit work, we complied with the independence and other ethical requirements of the relevant rules of professional conduct applicable to the practice of public accounting in Canada, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

In accordance with our regular audit process, we obtained the following from entity management:

- confirmation of management's responsibility for the subject under audit
- acknowledgement of the suitability of the criteria used in the audit
- confirmation that all known information that has been requested, or that could affect the findings or audit conclusion, has been provided
- confirmation that the audit report is factually accurate

Audit objective

The objective of this audit was to determine whether the Government of the Northwest Territories was on track to achieve selected outcomes related to protecting biodiversity and ecological integrity and sustaining cultural practices and economic development for current and future generations through its network of protected and conserved areas.

Scope and approach

The Government of Northwest Territories has made clear, auditable commitments in the Healthy Land, Healthy People work plans. The audit focused on priority outcomes of the revised 2023–28 Healthy Land, Healthy People work plan that relate to the establishment, planning, management, and operation of the Northwest Territories conservation network, namely the following:

- Priority Outcome 1: Advance planning and decision-making on the establishment of protected areas
- Priority Outcome 2: Support the effective and equitable management of national, territorial, and Indigenous protected areas and conservation areas
- Priority Outcome 4: Pursue sustainable, long-term funding for the establishment, planning, management, and operations of protected areas

The audit also examined the government’s systems, controls, and practices in place to support the implementation of the Thaidene Nënë and Ts’udé Niljné Tuyeta protected and conserved area establishment agreements.

In addition, to carry out our audit work, we sought the assistance of Indigenous governments and Indigenous organizations in the Northwest Territories. We travelled to their lands and traditional territories and were introduced to officials of the Indigenous governments, organization representatives, community members, and Elders. Each shared with us their perspectives and experiences with the Government of the Northwest Territories with respect to land protection and conservation. We appreciate the willingness and generosity with which they responded to our questions and requests for information.

We did not examine 2 outcomes under the Healthy Land, Healthy People work plan related to informing and educating the public about the conservation network and supporting Indigenous-led conservation and stewardship initiatives.

Indigenous protected and conserved areas, such as the Edézhíe Dehcho Protected Area, and other protected and conserved areas, such as the Thaidene Nënë National Park Reserve—for which the government is not a party to an agreement pursuant to legislation that is not territorial—were also not included in this audit. Moreover, the audit excluded concluding on the implementation of the government’s obligations under the Thaidene Nënë and Ts’udé Niljné Tuyeta protected and conserved area establishment agreements.

Criteria

We used the following criteria to conclude against our audit objective:

Criteria	Sources
<p>The Government of the Northwest Territories has advanced planning and decision-making on the establishment of protected areas.</p> <p>The Government of the Northwest Territories has supported the effective and equitable management of national, territorial, and Indigenous protected areas and conservation areas.</p> <p>The Government of the Northwest Territories has pursued sustainable, long-term funding for the establishment, planning, management, and operations of protected areas.</p>	<ul style="list-style-type: none"> • Healthy Land, Heathy People: GNWT’s Priorities for Advancement of Conservation Network Planning 2016–2021, Government of the Northwest Territories • Healthy Land, Heathy People: GNWT Priorities for the Northwest Territories Conservation Network 2023–2028, Government of the Northwest Territories • 2030 NWT Climate Change Strategic Framework 2019–2023 Action Plan, Government of the Northwest Territories • Protected Areas Act, 2019 • Wildlife Act, 2014 (amended in 2017) • Pathway to Canada Target 1 • We Rise Together: Achieving Pathway to Canada Target 1 Through the Creation of Indigenous Protected and Conserved Areas in the Spirit and Practice of Reconciliation, The Indigenous Circle of Experts, 2018 • Transforming Our World: The 2030 Agenda for Sustainable Development, United Nations • Strategic Plan for Biodiversity 2011–2020, Including Aichi Biodiversity Targets, Convention on Biological Diversity • United Nations Biodiversity Conference, Convention on Biological Diversity, 2022 • United Nations Declaration on the Rights of Indigenous Peoples, 2007 • Indigenous Conservation Agreements in Canada: A Review of Best Practices, Challenges, and Implications for the Future; Ginger Gibson, Kalene Gould, and The Firelight Group; 2020 • Implementation of Indigenous Protected and Conserved Area Agreements in Canada: A Review of Successes, Challenges, and Realities; Ginger Gibson, Rachel Ford, and The Firelight Group; 2023

Criteria	Sources
<p>The Government of the Northwest Territories has systems and practices in place to support the implementation of selected Thaidene Nënë establishment agreements.</p> <p>The Government of the Northwest Territories has systems and practices in place to support the implementation of the Ts'udé Niljné Tuyeta establishment agreement.</p>	<ul style="list-style-type: none"> • Healthy Land, Heathy People: GNWT Priorities for the Northwest Territories Conservation Network 2023–2028, Government of the Northwest Territories • Traditional Knowledge Policy, Government of the Northwest Territories, 2005 • Protected Areas Act, 2019 • Wildlife Act, 2014 (amended in 2017) • Agreements to establish the Thaidene Nënë Territorial Protected Area • Agreement to Establish Ts'udé Niljné Tuyeta as a Protected Area • Indigenous Conservation Agreements in Canada: A Review of Best Practices, Challenges, and Implications for the Future; Ginger Gibson, Kalene Gould, and The Firelight Group; 2020 • Implementation of Indigenous Protected and Conserved Area Agreements in Canada: A Review of Successes, Challenges, and Realities; Ginger Gibson, Rachel Ford, and The Firelight Group; 2023 • United Nations Declaration on the Rights of Indigenous Peoples, 2007

Period covered by the audit

The audit covered the period from 1 January 2016 to 31 December 2024. This is the period to which the audit conclusion applies.

Date of the report

We obtained sufficient and appropriate audit evidence on which to base our conclusion on 1 May 2025, in Ottawa, Canada.

Audit team

This audit was completed by a multidisciplinary team from across the Office of the Auditor General of Canada led by Carey Agnew, Principal. The principal has overall responsibility for audit quality, including conducting the audit in accordance with professional standards, applicable legal and regulatory requirements, and the office's policies and system of quality management.

Recommendations and Responses

Responses appear as they were received by the Office of the Auditor General of Canada.

In the following table, the paragraph number preceding the recommendation indicates the location of the recommendation in the report.

Recommendation	Response
<p>38. Environment and Climate Change, supported by Executive and Indigenous Affairs, should collaborate with Indigenous governments representing Dinàgà Wek'èhodì and the 4 Dehcho region candidate areas to develop a plan of action and timelines to advance the decision-making process for each candidate area. This should be completed within a year.</p>	<p>Environment and Climate Change's response. Agreed. ECC will continue to work with Indigenous government partners, supported by EIA to find a path forward for these areas. The GNWT will work to remove any barriers within the government's control. However, the establishment of these areas is Indigenous-led and, in many ways, connected to progress towards a land claim and self-government agreement with the Dehcho First Nation that would include land selection and the completion of a land use plan. The GNWT is guided by the timelines and capacity of Indigenous government partners.</p> <p>The resolution of issues regarding the management of these areas requires the consensus of all involved Indigenous governments and the GNWT. The GNWT will work with partners to achieve consensus to resolve issues but it must be acknowledged that the GNWT cannot compel a resolution to these issues.</p> <p>It is also important to note that while the conclusion of the NWT: Our Land for the Future agreement will help to advance the conclusion and implementation of some of the candidate areas, it will take some time before agreements are operational and funds will be available to support Indigenous governments to conclude and implement the agreements on the proposed candidate areas.</p>
<p>52. The Government of the Northwest Territories should ensure that its hiring processes, regardless of the mechanism used, involve management boards from the territorial protected areas.</p>	<p>The Government of the Northwest Territories' response. Agreed. The GNWT will ensure hiring processes for positions associated with territorial protected areas include the opportunity for community representation from the Indigenous parties to the territorial protected areas.</p>

Recommendation	Response
<p>56. Environment and Climate Change, Industry, Tourism and Investment, and Executive and Indigenous Affairs should collaborate with the management boards and parties to the establishment agreements of each territorial protected area to</p> <ul style="list-style-type: none"> • establish a critical path with related milestones for the implementation of the establishment agreements • periodically take stock of lessons learned to inform adjustments to future decision-making • periodically or as required by the critical path, assess the health of the relationship between the departments and the parties to the establishment agreement 	<p>The departments' response. Agreed. The GNWT will continue to collaborate with the management board and parties to the establishment agreements of each territorial protected area. Part of this collaboration will include the establishment of processes to assess the progress of implementation, lessons learned, and the health of partnerships associated with Territorial Protected Areas (TPAs). Within a year, the GNWT will develop options to assess the progress of implementation, lessons learned and the health of partnerships. This work will involve multiple GNWT departments involved in TPA implementation.</p> <p>The GNWT is in the process of developing an action plan for the implementation of the United Nations Declaration on the Rights of Indigenous Peoples Implementation Act. As part of the action plan, an assessment tool is being developed that will support the review of GNWT policies to ensure alignment with the United Nations Declaration on the Rights of Indigenous Peoples Implementation Act. This tool will be helpful in working with Indigenous governments to identify and prioritize amending GNWT policies guiding the planning and implementation of establishment agreements.</p>

Appendix—Text Descriptions of Exhibits

Exhibit 1—The terrestrial conservation network in the Northwest Territories—Text description

This map shows the terrestrial conservation network in the Northwest Territories. It shows the territory divided into 5 regions according to settled land claim boundaries. The established and candidate protected areas and the conservation areas are shown in each region.

The established and candidate protected areas shown are among the following:

- established territorial protected areas under the Northwest Territories' Protected Areas Act
- established protected areas under other legislation
- candidate territorial protected areas advancing under the Protected Areas Act
- candidate protected areas whose designations are to be determined
- areas co-designated as Indigenous protected and conserved areas in combination with federal or territorial legislation

Conservation areas shown are conservation zoning in land use plans and conservation under territorial or federal legislation.

The Inuvialuit Settlement Region covers the northern half of the territory. This region has the following established protected areas under legislation other than the Protected Areas Act:

- the Banks Island No. 1 Migratory Bird Sanctuary
- the Aulavik National Park, which includes the Banks Island No. 2 Migratory Bird Sanctuary
- the Kendall Island Migratory Bird Sanctuary
- the Anderson River Delta Migratory Bird Sanctuary
- the Pingo Canadian Landmark
- the Tukturnogait National Park (except for the southern tip)

The southern half of the territory has the Gwich'in Settlement Area, Sahtu Settlement Area, Wek'èezhii, and Dehcho regions.

The region in the northwestern part of the southern half of the territory is the Gwich'in Settlement Area. This region is the smallest of the 5 regions. It has established conservation areas throughout its northern and central parts.

The larger region next to the Gwich'in Settlement Area is the Sahtu Settlement Area. Established conservation areas are found throughout this region. It also has Ts'udé Niljné Tuyeta, which is an established territorial protected area under the Protected Areas Act. Located in the western part of this region, Ts'udé Niljné Tuyeta is also co-designated as an Indigenous protected and conserved area in combination with federal or territorial legislation. This region also has the following established protected areas under legislation other than the Protected Areas Act: ʔehdacho, Saoyú, Kelly Lake, the bottom tip of the Tukturnogait National Park, and the Nááts'ihch'oh National Park Reserve.

Dehcho is a large region that covers most of the southern part of the territory. Established protected areas under legislation other than the Protected Areas Act are the Nahanni National Park Reserve, Edézhíe, the Wood Buffalo National Park, the Thelon Wildlife Sanctuary, and the Thaidene Néné National Park Reserve. Edézhíe and Thaidene Néné are both co-designated as Indigenous protected and conserved areas in combination with federal or territorial legislation. The rest of Thaidene Néné consists of the Wildlife Conservation Area, which is an established conservation area, and established territorial protected areas under the Protected Areas Act. Dehcho also has the following candidate

protected areas, whose designations are to be determined: Samba K'e, Ka'a'gee Tu, Lue Túé Súlái, and Ejié Túé Ndáde. Cutting the Dehcho region in half is a draft Dehcho land use plan boundary.

The last of the 5 regions is Wek'èezhii, which is surrounded by the Sahtu Settlement Area to the northwest, Nunavut to the northeast, and Dehcho to the southwest and southeast. The central part of this region has stretches of established conservation areas. It also has the following established protected areas under legislation other than the Protected Areas Act: Ezqdzitì and Wehexlaxodiale. This region also has Dìnàgà Wek'èhodì, which is a candidate territorial protected area advancing under the Protected Areas Act.

Source: Adapted from an Environment and Climate Change map

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Exhibit 2—The percentage of land and inland water conserved in the Northwest Territories compared with land and inland water conserved in all of Canada, 1990 to 2023—Text description

This line graph shows the percentage of land and inland water that was conserved in the Northwest Territories and in Canada from 1990 to 2023. The percentage of land has increased in both the territory and Canada during the period; however, the percentages conserved are below the Canada targets of 25% by 2025 and 30% by 2030.

The percentage of land and inland water conserved within the Northwest Territories was higher than the percentage conserved across Canada as a whole. The percentage conserved in the Northwest Territories in 2023 was 15.8%, while the percentage conserved in Canada was 13.7%. Below are the yearly percentages from 1990 to 2023.

Year	Percentage of conserved land and inland water: Northwest Territories	Percentage of conserved land and inland water: Canada
1990	4.3%	4.4%
1991	4.3%	4.4%
1992	5.2%	4.6%
1993	5.2%	4.7%
1994	5.2%	4.8%
1995	5.2%	5.1%
1996	5.2%	5.2%
1997	5.2%	5.3%
1998	6.6%	5.6%
1999	6.6%	5.8%
2000	6.6%	5.9%
2001	6.6%	6.2%
2002	6.6%	6.3%

Year	Percentage of conserved land and inland water: Northwest Territories	Percentage of conserved land and inland water: Canada
2003	6.6%	6.8%
2004	6.6%	6.9%
2005	6.7%	7.1%
2006	6.7%	7.2%
2007	6.7%	7.5%
2008	7.1%	8.0%
2009	7.1%	8.3%
2010	7.1%	8.4%
2011	7.1%	8.7%
2012	9.3%	9.1%
2013	9.4%	9.4%
2014	9.4%	9.5%
2015	9.4%	10.1%
2016	9.4%	10.2%
2017	9.4%	10.2%
2018	13.1%	11.2%
2019	15.8%	12.1%
2020	15.8%	12.9%
2021	15.8%	13.5%
2022	15.8%	13.6%
2023	15.8%	13.7%

Source: Based on data from Environment and Climate Change and the Canadian Protected and Conserved Areas Database

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Exhibit 6—Funding sources for the conservation network’s expenditures in the 2023–24 fiscal year—Text description

This donut chart shows the 2 funding sources for the conservation network’s total expenditures of \$2.54 million in the 2023–24 fiscal year:

- the Government of the Northwest Territories program budget was \$1.50 million, or 59% of total expenditures
- the annual federal funding was \$1.04 million, or 41% of total expenditures

Source: Based on data from Environment and Climate Change

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