



ADDRESSING STAKEHOLDER INTERESTS THROUGH PUBLIC CONSULTATION:

A Focus on Natural Resource Exploration and Development
in
Canada's North

By

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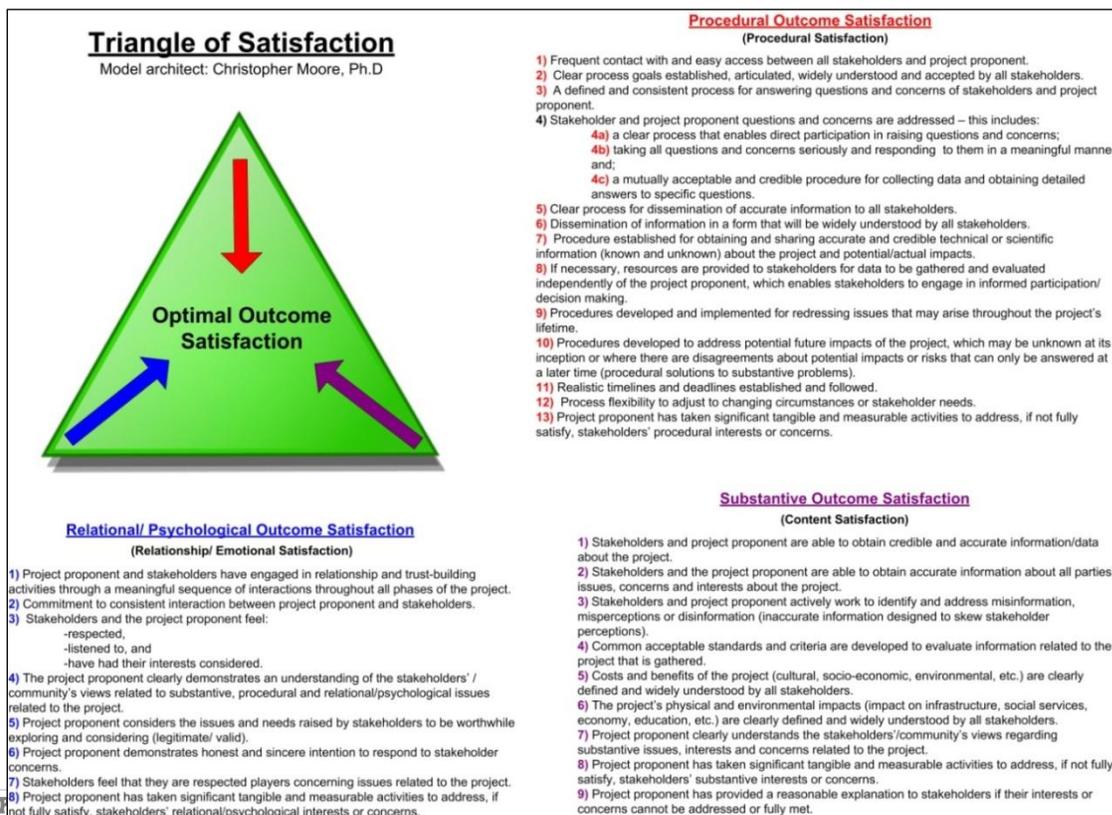
Addressing Stakeholder Interests through Public Consultation: A Focus on Natural Resource Exploration and Development in Canada's North

Abstract

In an effort to provide insight into how public consultation processes might be more effectively designed in Canada's North, the researcher took an interactive research approach and utilized Christopher Moore's Triangle of Satisfaction as a tool for assessing the effectiveness of the Mackenzie Gas Project's public consultation processes in addressing and meeting stakeholders' interests. Additional research components included identifying how the regulatory requirements mandated by the National Energy Board affected the design of the project proponents' (i.e. industry's) public consultation processes and whether the use of mediation in public consultation could help foster greater stakeholder outcome satisfaction. Research findings suggest that although the proponents did not achieve near-optimal stakeholder outcome satisfaction as intended, they did conduct effective and successful public consultation processes whose design, although guided by the requirements of the National Energy Board and the regulatory partners to the Cooperation Plan, largely hinged on their own stakeholder engagement philosophies. Research findings further indicate that neither the Mackenzie Gas Project proponents nor stakeholders see a benefit in utilizing mediation as part of public consultation in Canada's North and overwhelmingly indicated that its use as part of the Mackenzie Gas Project public consultation processes would not have increased their outcome satisfaction. Following an analysis of the research findings, the researcher concludes the project by offering recommendations to Mackenzie Gas Project proponents as well as more general recommendations to be taken into consideration for future similar projects in Canada's North.

Link to the Full-Length Thesis: <http://ciian.org/assets/forms/mrp.pdf>

Christopher Moore's Triangle of Satisfaction



The Triangle of Satisfaction is a framework for identifying the needs and interests of stakeholders involved in a dispute or conflict. It identifies three kinds of needs and interests - psychological/relational, procedural and substantive.

Stakeholders' needs and interests, which may be similar and held in common or different, are important to be recognized, considered, addressed and met if a satisfactory working relationship is to be built between the parties; a successful information exchange, problem solving procedure, negotiation or other issue/dispute resolution process is to occur; or a mutually acceptable substantive outcome to the dispute is to be achieved.

The Project's Conclusions

Conflict management literature denotes that a successful conflict management outcome today is one that not only resolves the immediate problem but is able to arrive at a sustainable solution. Literature also suggests that an interest-based consensual approach to conflict management will provide most efficient results as an outcome has to be equitable to have stabilizing and/or sustainable consequences. This project's research findings indicate that these same principles apply to effective public consultation for natural resource exploration and development projects in Canada's North. They also suggest that public consultation is an effective method for addressing stakeholder interests and needs in Canada's North and validate the importance of the recurring conflict management attributes identified in conflict management literature as necessary for achieving successful outcomes. This project's research findings point to the importance of satisfying and/or addressing a stakeholder's relational/psychological interests as a basis for successful public consultation. However, they also confirm the organic interconnectedness of Procedural, Relational/ Psychological, and Substantial Outcome Satisfaction. To achieve optimal outcome satisfaction, project proponents must take into consideration all three interests types equally, while a proponent's stakeholder engagement philosophy and principles must place equal emphasis on satisfying its stakeholders' procedural and substantive interests as it does on satisfying their relational/ psychological interests.

Although not flawless, the Mackenzie Gas Project's public consultation processes could be deemed both effective and an overall success that could serve as models to be built on and enhanced for future similar public consultation processes in Canada's North. Their positive results were facilitated by the unique structure of the Mackenzie Gas Project including its regulatory review process, a long-term economic incentive for Aboriginal peoples of the Northwest Territories facilitated through land claim settlements and the creation of the Aboriginal Pipeline Group, as well as the proponents' desire to engage with local communities impacted by the project in a socially responsible manner that emphasized long-term relationship and trust building.

However, as long as the proponents view public consultation as a one-time activity rather than ongoing engagement, they will be left particularly vulnerable to having to re-build those relationships from scratch if the project operator (Imperial Oil) delays the construction of the Mackenzie Gas Project. This structural roadblock leaves their efforts and presence in the Northwest Territories particularly vulnerable regardless of the small gap that this research project identified between the intended versus actual outcome satisfaction. Furthermore, while being guided by the requirements set forth by the National Energy Board and various other regulators, research findings indicate that it is the proponents' stakeholder engagement philosophy and principles that have been shown to have the greatest impact on the design and execution of their public consultation processes.

This project's research findings also overwhelmingly indicate that neither proponents nor stakeholders of the Mackenzie Gas Project see a value in incorporating mediation into public consultation. Both sides experienced strong mutual communication and felt that the made-in-the-North regulatory review process was able to handle any and all remaining disputes between the parties. Whereas some indication was provided suggesting that mediation may potentially benefit future similar processes in instances of complete communication failure, research findings indicate that there is an inherent resistance by both Northerners and the oil and gas industry in placing a non-partial 'outsider' between them. Public consultation professionals view communication facilitation and dispute resolution as a role of their own while Northerners strongly believe that they have full internal capacity to resolve disputes on their own.

Recommendations

For Mackenzie Gas Project Proponents:

√	Project proponents must increase communication with both Aboriginal and non-Aboriginal residents of the Northwest Territories regarding the current status of the Mackenzie Gas Project.
√	If construction cannot begin by the deadline mandated by the National Energy Board, project proponents must not be required to undertake application re-filing that would require another set of formal public consultations for the same project.
√	Going forward, all actions by project proponents and regulators related to the Mackenzie Gas Project must be stakeholder-centric.
√	Oil and Gas proponents wishing to expand operations into Canada's North must not do so until the future of the Mackenzie Gas Project is decided.

For All Future Natural Resource Projects in Canada's North:

√	Any and all natural resource exploration and development projects Canada's North should follow a regulatory structure similar to that of the Mackenzie Gas Project.
√	A method of checks and balances should be established to ensure that standards/ rules of stakeholder engagement are satisfied by project proponents prior to contact with communities affected by a proposed project.
√	Proponents must not force access into communities overtly opposed to natural resource exploration and development projects.

✓	Aboriginal and stakeholder ownership models should be formalized – based on the Aboriginal Pipeline Group – to allow communities a direct interest and stake in the proposed project.
✓	Role of mediation should be further explored in the context of public consultation and the natural resource industry.

Researcher Biography

Inya was born in Croatia yet spent the majority of her life living as a member of the global community in countries that included Iran, Croatia, Turkey, and Indonesia. Upon completing her secondary education at a distinguished international school in Jakarta, Indonesia, Inya moved to Vancouver, Canada to pursue an undergraduate education in Political Science and International Relations at the University of British Columbia. In 2010, Inya enrolled in Royal Roads University's School of Peace and Conflict Management where she pursued a Master of Arts degree in Conflict Analysis and Management. She specialized in ethno-political issues, and specifically in the application of conflict analysis and management to Aboriginal and stakeholder engagement in Canadian energy and mining projects. Inya's Master's degree has allowed her to develop skills necessary to identify root causes of conflicts and orchestrate interventions that integrate multiple needs and parties.

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Felicity has worked with groups both inside and outside of organizations to help on questions of negotiation, organizational management, decision-making, planning, sustainability, and natural resource management and community development. She is a partner in the CSE Group and an Associate Faculty member at Royal Roads University's School of Peace and Conflict Management. Felicity's most recent volunteer achievements include Past Chair of the Canadian Parks Partnership, Chair of the Board of the Chinook Institute, advisor to the Board of the Bow Valley SPCA, and member of the Advisory Panel to the President of ConocoPhillips Canada on stakeholder engagement.

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