



# Report Summary

## An Economic Strategy of the Northwest Tribal Treaty Nations

### 1. Executive Summary

The Northwest Tribal Treaty Nations (NWTT) is comprised of 40 distinct First Nations from northwestern British Columbia. In December of 2002, the Northwest Tribal Treaty Nations concluded an Economic Measures Agreement with the Treaty Negotiations Office of the Ministry of the Attorney General of British Columbia. The rationale of the agreement was to support the Northwest Tribal Treaty Nation to develop a First Nations Economic Strategy.

The major purpose of the NWTT economic initiative project is to plan and develop an integrated and coordinated approach to northern economic development for those First Nations of northern British Columbia comprising the Northwest Tribal Treaty Nations.

The key purpose of the report is to focus on the fundamental question, “What will be necessary for First Nations in northern BC to create sustainable wealth?” and to provide strategies, guidelines and approaches for the respective communities to create sustainable wealth.

The principal goal of the NWTT economic strategy is to improve the quality of life for First Nations in the north

through economic growth that creates high quality jobs, generates wealth and investment, supports self government and helps to ensure the long-term fiscal health of the respective communities. This strategy document can be seen as part of a process of rebuilding First Nation communities to be vibrant, prosperous, and entrepreneurial-oriented and where First Nation people will establish successful businesses and find meaningful employment.

NWTT member communities make up almost 20% of the entire population in northwestern BC. 39% of the on-reserve population and 45% of the off-reserve First Nations population are 19 years old or younger. 52.5% of the on-reserve population and 60% of the off-reserve population are 29 years old and younger.

The statistical evidence clearly shows that there is a marked difference between the education levels of First Nation and non First Nation populations in the NWTT Nations territories. ( see report and appendices for educational statistics) There is an urgent need to concentrate on improving education success if the communities are to create sustain-

able wealth. Where detailed unemployment levels have been reported (24 communities), the average unemployment rate is 60.42%, with a range from a low of 28.1% to a high of 83.21%. The average income of First Nations with earnings in the region is 40% of that of the rest of BC.

The history of the First Nation people of the northwest can be characterised as one of colonization and subjugation. This has resulted, first, in the existence of a pervasive sense of dependency. Second, colonization and subjugation manifests itself in an attitude of waiting rather than seeking opportunity. Third, it has separated First Nations from access to their traditional lands. The movement from dependency and from policies that reinforce dependency along with increased access to traditional lands and resources will have a profound positive effect on any attempt by First Nations to create sustainable wealth. It is essential First Nations regain and begin to utilize the resources on their traditional territories.

It is critical that all efforts be focussed on developing and establishing modern and effective governing structures within First Nations. Sound governance is a fundamental prerequisite to successful social and economic development. For there to be the creation of economic wealth, First Nation governments must have stability and must create a political environment that is safe and secure for business development. First Nations governments must be able to build confidence, attract commitment and provide security of assets for companies doing business in the respective communities.

There has been a systematic removal of First Nations from the land that prevented them from protecting and developing the resources in a manner that would yield sustainable wealth for the communities. First Nations will not create sustainable wealth for their communities until the respective First Nations reclaim and begin to utilize the resources on their traditional territories. This reclamation may take on various forms:

- Land claim settlements
- Interim agreements
- Joint ventures where tenures of the resources are secured for economic purposes
- Occupation and use the land

However, the exercise of jurisdiction and utilization of these resources, and the management and utilization of these resources for their own benefit is essential to their economic progress.

Sound governance is a fundamental prerequisite to successful social and economic development. An essential stage of achieving this sound governance is the ability to develop, initiate, complete and implement sound fundamental planning processes. All too often, the examples of planning processes in First Nation communities are short term and program

based. Most of these programs have a one-year window for action and results. In order for First Nations and their respective communities to create sustainable wealth, there must be a multi-functional, comprehensive strategy of ongoing activities, in contrast with individual economic development projects or other isolated attempts at community betterment.

A strong case can be made that a quiet crisis is building because of the low education attainment of First Nations. There is an increasing gap between the communities need for expertise and trained professionals and technically skilled workers, and the production of them. Strategies must be implemented that have a renewed focus on increasing education attainment from preschool through adult education levels. Human resource development efforts, such as education and training programs, must be complemented by a broad program of economic development at the regional and community levels. Without a supply of jobs, training makes little sense for those who are economically disadvantaged.

Entrepreneurship is fundamental for the creation of economic wealth. The challenge is to develop and foster an entrepreneurial community with an entrepreneurial attitude or imagination that visualizes how existing resources may be used to create new economic opportunity. The growth and development of entrepreneurship and subsequent entrepreneurial companies in First Nation communities requires more than just the provision of capital and training courses to develop entrepreneurial skills. It demands a supportive environment in which entrepreneurs can build their companies and flourish as respected members of the community. Entrepreneurial activity emerges when the conditions are right. Effective leadership, sound institutions with integrity, and strong business relations are needed to create these conditions. Without them, training will not create new business to employ people. With them, training courses to encourage and support entrepreneurs can become more effective.

Closely connected and related to the issues of good governance and increased human resource capacity is proficient financial and business operations. The NWT community research project indicated that most communities are significantly limited in their human resource capacity to lead, to support and to create economic diversification. There must be strategies to increase expertise in managing capital, identifying opportunities, establishing networks with the business sector, developing, brokering and contracting strategic alliances and partnerships, and managing and negotiating financial arrangements, production and marketing. There needs to be an organizational format in which the for-profit sectors of the community are independent and managed with sound business and financial principles, even though community government entities are closely linked to their work. Businesses cannot compete successfully when the decisions are being made

according to political instead of business criteria.

Access to equity capital is absolutely essential to strengthening First Nation participation in the economy. There is a need for more capital overall, and for a broader scope of financing instruments to better respond to the needs of aspiring First Nation entrepreneurs. The large majority of opportunities for financial support for economic growth are piecemeal in nature coming from an ever-changing host of programs, often based on loans, often designed for individual entrepreneurs to begin small businesses, and often not designed to truly allow the steps necessary to create sustainable wealth in the respective First Nation communities. In order for First Nations to advance economically and to truly develop their present or “re-acquired resources,” they need a pool of equity capital designed specifically for this purpose. There must be new sources of equity capital, a focussed effort by First Nations to accumulate and to retain capital, and a coordination of the vast array of programs at the regional level so these programs have a community-based focus and are able to meet the goals of the community or Nation in their respective initiatives to develop sustained economic wealth for their communities.

For the creation of sustainable wealth there must be the recognition that the key markets to sell their product or service will most likely be somewhere outside the north and likely outside the province and country. Without a clear recognition of the market demand and price for the proposed products or services, many of the attempts at wealth creation will be based solely on the hope of markets and the interests or present capacity of the members of the respective First Nation communities. Most often these attempts in the creation of sustainable wealth fail. There must be a clear focus on creating access to markets for the products and services that First Nations plan to develop and produce. Most often, these may be new or niche markets and may entail Nation-based or regionally-based cooperative marketing strategies.

The NWT economic strategy will benefit the entire northern BC region. The strategy recognizes that the respective First Nation and non-First Nation communities and the surrounding regions comprise a single economic region. A key goal of the strategy is to advance the economy of the First Nations of the north in a manner that also serves to benefit the economy of the entire region. No one community or institution can take on the breadth and depth of actions necessary to advance the economy of the North. It will take the collective know-how, skill, resources and energy of the private sector, all orders of government including public institutions such as universities, colleges and schools, and a collective of communities working in concert to achieve the goals articulated in this document. There must be an acceptance and willingness to engage in activity by the mainstream in collaboration with First Nation communities. This infers a positive collaboration process, and cooperative strategies,

mechanisms and institutions that reflect the diversity of communities within the region.

The NWT economic strategy proposes the formation of a First Nation economic association or institute to be created by the Northwest Tribal Treaty Nations. This Northwest First Nation Economic Institute would provide ongoing direction to the implementation of the economic initiative strategy and would be a strong, unified voice to advocate and represent First Nation interests to government, potential investors, regional and community organizations, and to the multitude of other stakeholders. This proposed Northwest First Nations Economic Institute would take the lead role in developing a work plan, establishing benchmarks and monitoring and communicating success in advancing the First Nations economic strategy based on the established benchmarks.

The research has strongly indicated that first, First Nations must have stewardship of their economies if development is to succeed, and second, the creation of economic wealth is unlikely to succeed if the severely constrained land and resource base is accepted as given. Public policy must come to grips with these factors before even the best-designed business development program can be expected to be broadly successful.

Governments need to be brought to a position where they support the recognition and implementation of treaty rights in the area of lands and resources. They must encourage, advocate, facilitate and support the development steps and actions taken by First Nations in the creation of their own self-governing institutions. First Nations communities must be able to plan the development of their economies, develop the projects, implement, monitor and change them if necessary. To allow this to happen, governments need to provide a broad policy framework within which First Nation communities and Nations can design their own instruments to further their objectives. The programs flowing from these policies should provide a broad policy and programs should be flexible enough to allow First Nations to address the wide range of development processes in their respective communities.

Flexible funding arrangements are necessary to support social and economic development. A flexible arrangement allows community organizations to allocate funding to their own priorities without fitting their spending into categories determined elsewhere. Flexible funding allows First Nation communities to identify needs, design programs, and fashion funding according to their particular requirements. At the same time, flexible funding encourages and obliges leaders to be more accountable to community members.

Stability in funding is important in order to develop programs for the longer term. At the same time, funding levels need to be sufficiently large to establish legitimacy, to generate excitement, to provide leverage, and to bring

community leaders to the table and keep them there.

Economic development of First Nation communities cannot occur in isolation from the rest of the Canadian, provincial or regional economy. Until recently, First Nations overall participation in the Canadian economy has been marginal. All too often, local First Nations economies are invisible to the surrounding economies, although they are significant contributors to those economies. First Nations must participate in federal, provincial and local economic planning mechanisms. The establishment of genuine partnerships with the non-First Nation private sector has been very successful in some local communities and the development of further partnerships need to be encouraged and facilitated.

Non-First Nations have a large role in assisting First Nation communities and institutions moving forward. First, their role is to focus and renew commitment to increasing the participation and success rate of First Nation students through kindergarten to grade 12. Second, a better fit between education and training for personal development and the needs of community economic development is required. Students need to have appropriate training available within the region and to be directed towards academic programs that will permit them to fill the positions that are in demand in the areas of business and economic development. High priorities are the development of First Nations expertise in land and resource management, and the development of business activities based on lands and resources. This implies obtaining the support of communities and education systems for the education and training of First Nations personnel in subjects such as land management, surveying, geology, oceanography, environmental studies, biology, land and wildlife management and forestry. Increased opportunities for ongoing training for leadership and community economic development workers at the community level is also a priority.

## **2. STRATEGIC APPROACHES FOR THE RESPECTIVE COMMUNITIES**

Extensive research conducted over the duration of this project has clearly indicated that strategic action and change is required within the following eight areas to allow First Nations to create sustainable wealth for themselves:

- Governance
- Access to lands and resources;
- Planning capacity
- Human resource capacity
- Entrepreneurship
- Business & financial capacity
- Access to capital; and
- Access to markets

<sup>1</sup>What is Good Governance? United Nations Economic and Social Commission for Asia and the Pacific (n.d) Retrieved on January 10 from <http://www.unescap.org/huset/gg/governance.htm>  
*Report of the Northwest Tribal Treaty Nations Governance Project (March, 2004)*

There needs to be a sense of urgency with a commitment and determination by communities to take a strategic approach to creating sustainable wealth. Important in the strategic approach is “strategic intent”. Strategic intent provides the focus that allows individuals within an organization to marshal and leverage their energy, to focus attention, to resist distraction, and to concentrate for as long as it takes to achieve a goal. In the disorienting swirl of change, this focussed energy or strategic intent may well be the scarcest resource an organization has, and only those who utilize it will succeed.

For success in the creation of sustainable wealth, the commitment for change has to be strong. Despite the impoverished conditions coupled with grave social problems, there is an urgent need to provide a proactive and holistic approach to build a climate conducive to economic development. Holistic approaches to development are crucial to sustainability. Economic development must be accompanied by activities that, while not focusing directly on economic development, still have a significant affect on it. These activities include education, improving overall levels of health, developing positive cultural identities, and building and maintaining infrastructure and services for communities and families. In the absence of improvements in these other areas, economic development will be curtailed.

### **2.1 Governance**

Sound governance is a fundamental prerequisite to successful social and economic development. For there to be the creation of economic wealth, First Nation governments must have stability and must create a political environment that is safe and secure for business development. It must be able to build confidence, attract commitment and provide security of assets for companies doing business in the respective communities. Stability and security will form a firm foundation for building trust relationships that are required for successful community and business development.

Good governance for First Nations has 10 major characteristics. Good governance is participatory, consensus oriented, legitimate, accountable, transparent, responsive, effective and efficient, equitable and inclusive, follows the rule of law and has a cultural match with its citizens. It assures that corruption is minimized, that the views of minorities are taken into account and that the voices of the most vulnerable in society are heard in decision-making. It is also responsive to the present and future needs of society.<sup>1</sup>

## Leadership

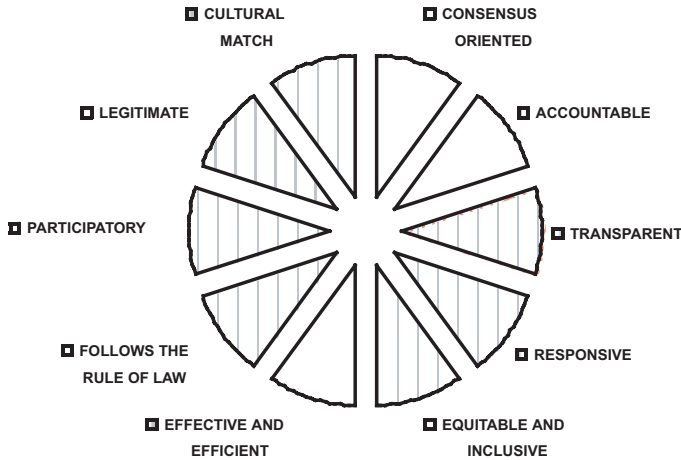
Effective institutions of governance must possess strong and capable leadership. The leadership must have the following components:

- Visionary, motivational, and committed;
- Capable of articulating the community's vision, building the necessary consensus, managing the change process and continually refining and redesigning the effort without losing the community's support;
- Capable of addressing barriers and developing alternatives when necessary, of handling failures and setbacks, and of taking advantage of opportunities that present themselves; and
- Convinced that the existing systems are badly flawed and require fundamental change.

*The key strategic recommendations for good governance are as follows:*

- Politics must be separated from the process of managing business. The overwhelming majority of communities that have success in creating sustainable wealth separate business from politics by creating a development corporation with an independent board. Band councils deal with longer-term planning, but leave the conduct of business to the development corporation.
- There must be an impartial dispute resolution process that is separated from the political process. If the dispute resolution processes are politically controlled, risk-taking is discouraged and joint ventures with outside firms will be constrained.
- An effective, professional civil service must be built for each community or for groups of related communities. There must be institutions that are seen as legitimate by the people of the community and these must be staffed by a well-trained and professional staff that can develop and implement policies and procedures that are transparent, understandable and are fair and seen to be fair.
- Good governance must have the trust of community residents and have their continuous involvement.
- There must be a "cultural match". This refers to the match between governing institutions and the prevailing ideas in the community about how authority should be organized and exercised.
- A key component of good governance must be the development of a comprehensive vision for the future that can serve to inspire communities and attract those people who are willing to make a strong commitment to the growth of their community and people. The foundation of this vision must be self-reliance with a

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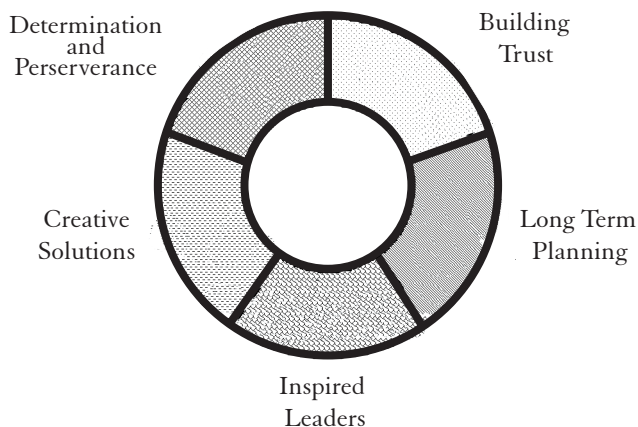


## Working Towards Good Governance and Creating Sustainable Wealth

Good governance and the creation of sustainable wealth require a strategic orientation demonstrated by the following components:

- Building trust
- Long-term planning
- Inspired leadership
- Creative solutions
- Determination and perseverance

Working Towards Good Governance and Creating Sustainable Wealth



vibrant, prosperous and entrepreneurial-oriented community where people will establish successful businesses and have meaningful employment.

- After the vision is created, the political process must focus on the long-term planning for the community. There needs to be a high level of community consensus on the growth required and it must be consistent with the historical values of the community.
- There must be strong and capable leadership that is visionary, motivational, and committed and that is capable of articulating the community's vision, building the necessary consensus, managing the change process and continually refining and redesigning the effort without losing the community's support.
- Good governance and the creation of sustainable wealth requires a strategic orientation that must be demonstrated by inspired leadership, long-term planning, determination, perseverance, trust-building and creative solutions.
- Funding must be stable in order to develop programs for the longer term. At the same time, funding levels need to be sufficiently large to establish legitimacy, to generate excitement, to provide leverage, and to bring community leaders to the table and to keep them there. Federal, provincial and territorial governments need to enter into long-term economic development agreements with First Nations, or institutions representing several Nations, to provide multi-year funding to support economic development.

## 2.2 Access to Lands and Resources

Access to lands and resources and the creation or expansion of businesses based on these traditional lands is a principal element of the economic initiative strategy of the First Nations of northern British Columbia. The history and culture of First Nation peoples in the region is closely tied to the use and preservation of natural resources and there is every indication that most communities want to continue with this tradition.

There has been a systematic removal of First Nations from the land that prevents them from protecting and developing the resources in a manner that would yield sustainable wealth for the communities. First Nations will not create sustainable wealth for their communities until the respective First Nations reclaim and begin to utilize the resources on their traditional territories. This reclamation may take various forms: land claim settlements, interim agreements, joint ventures where tenures of the resources are secured for economic purposes, or occupation and use the land. However the exercise of jurisdiction and utilization of these resources and the management and utilization of these resources for the benefit of First Nations is essential to their economic progress.

*The strategic action plan for the creation of sustainable wealth includes the following elements in the area of lands and resources:*

- The key element of the strategy is the speedy settlement of land claims. It is of critical importance that the provincial government, in particular, is brought to a position where they support the recognition and implementation of treaty rights in the area of lands and resources. It is vital for the provinces to be actively committed to the negotiation processes and the resolution of claims concerning lands and resources, and supportive of new long-term agreements in this area.
- In the strategy of the resolution of land claims, parcels of land should be made available in urban areas and along transportation routes so that our communities have access to commercial opportunities serving large urban markets and global markets.

*Other elements of the strategy for creating sustainable wealth include the following elements:*

- In order to have a comprehensive approach to creating wealth, it is paramount that First Nations have a comprehensive land plan that designates protected areas and respective economic zones that can be developed and used to create sustainable wealth.
- Obtaining a share of royalties (impact and benefit agreements) from corporations that exploit resources on traditional lands is important. The present interim arrangement under the Lands and Forest Management Act does not provide access to enough resources for most First Nations to develop a viable economic enterprise and a sustainable creation of wealth for First Nation communities.
- To go forward creating sustainable wealth; one critical step or activity on the way to going forward is clearly defining in detail what is meant by compensation and accommodation and what process others need to address to meet these requirements.
- Since the depth of the obligation to consult and accommodate prior to proving Aboriginal title will largely be a function of the strength of the evidence a First Nation community can advance in support of its rights, it is imperative the respective First Nation organize and collect as much evidence as possible on their Aboriginal title rights to strengthen their position.
- There is a need to increase the capacity of First Nation governments to conduct scientific research on existing and future resource development opportunities. This becomes more important as the land and resource base expands and corporate interests increase in certain areas of the north.

- The development of First Nations expertise in land and resource management, and in businesses based on lands and resources, is also paramount. This implies obtaining the support of communities and education systems for the education and training of First Nation personnel in subjects such as land management, surveying, geology, oceanography, environmental studies, biology, land and wildlife management, and forestry.

## 2.3 Planning Capacity

In order for First Nations and their respective communities to create sustainable wealth, there must be a multi-functional, comprehensive strategy of ongoing activities, in contrast with individual economic development projects or other isolated attempts at community betterment. Sustained economic growth must be a process guided by strategic planning and analysis, in contrast to opportunistic and unsystematic tactics. The crucial questions for societies to answer as they put together a multi-functional, comprehensive strategy of ongoing activities are the following<sup>2</sup> :

- What kind of society are we trying to build?
- What do we hope to change in our society?
- What do we hope to preserve or protect? What are we willing to give up?
- What are our development priorities? e.g. sovereignty, health, employment, income, skill development, cultural development etc.?
- What are our development concerns? e.g. cultural impacts, environmental impacts, changing demographics, out-migration, etc.?
- What assets do we have to work with?
- What constraints do we face?
- On which opportunities do we wish to focus our development plans on?
- What employment opportunities will truly satisfy and sustain us over our lives?

*The answers to these questions form the basis of a development strategy.*

Central to the planning process is the necessity for groups to create a vision. An inclusive process of creating a clear vision can result in the establishment of a common direction and a commitment to a shared vision of the future of the community. Once the vision and a mission are established, a set of strategic initiatives will follow, including objectives, values, strategies, goals and programs. In addition to the defined courses of action, a means to monitor progress against the plan, and a specified method for corrective action will complete the basic planning cycle.

<sup>2</sup>Cornell, Stephen & Kalt, Joseph P. (1998) *Sovereignty and Nation-Building: The Development Challenge in Indian Country Today*. University of California, California: American Indian Studies Centre.

The strategic action plan for the creation of sustainable wealth requires a focus on specific planning processes, the capacity, resources and assistance to carry out the planning processes, and the development of comprehensive community plans.

*Included in the strategic recommendations are the following:*

- Every community needs to have basic economic development planning capacity and an understanding that the responsibility for the creation of wealth in the community belongs to everyone in the community.
- Every community needs to undertake an inclusive process of creating a clear vision that results in the establishment of a common direction and a commitment to a shared vision of the future of the community. This visionary planning process should ensure that the economic activities that are planned in the future are based on a consensus about growth.
- Every community must have a comprehensive land plan in order to have a comprehensive approach to creating wealth. These comprehensive land-use plans should designate protected areas and respective economic zones that can be developed and used to create sustainable wealth.
- Financial and technical resources need to be made available to assist and support communities with the various planning processes to be undertaken. After the initial planning processes are undertaken, communities will need assistance with developing connections (both within the community and outside the community) that are necessary for the establishment and development of the community and business enterprises. The first stage of this process would be preliminary planning about the opportunities they wish to pursue, the establishment of cluster groups, and the provision of technical support to the emerging planning process and the various economic cluster groups.
- Focus, support and strategy sessions should be conducted to emphasize and clarify the important role of the political leadership in leading the planning process, the strategic necessity of allowing people in the community to be involved throughout the entire process, and a focus on the specific information of the key elements of developing a comprehensive plan.
- Pilot projects that help communities become “business friendly” should be initiated. These projects will create communities where entrepreneurs are encouraged and sustained and business ventures are welcomed and nurtured.
- A human resource mapping or skills inventory must be undertaken to provide valuable information for planning and economic development purposes and the entire region.

- Specific research must be undertaken to identify the gaps that exist in the availability of educated and trained Aboriginal personnel, in relation to the emerging needs of First Nation economies in the region.

## 2.4 Human Resource Capacity

Education and training are directly tied to successful economic development. A high level of literacy is important for the successful functioning of most if not all businesses in the contemporary context. Education and training is an essential prerequisite for access to, and effective functioning in, many of the occupations that businesses, governments and other organizations require. The prospect of finding good jobs at a realistic income level improves substantially with higher levels of education and training; there is strong evidence that a high level of education provides the confidence people require to engage in, and be successful at entrepreneurial activity.

A strong case can be made that a quiet crisis is building because of the low education attainment of First Nations. There is growing gap between the communities need for expertise and trained professionals and technically skilled workers and the production of them. Strategies should have a renewed focus on increasing education attainment for First Nation students, from preschool throughout adult education levels.

*A First Nations human resource strategy would include the following:*

- The completion of a human resource map or skills inventory in each community to provide valuable information for planning purposes.
- Specific research to identify the gaps that exist in the availability of educated and trained Aboriginal personnel, in relation to the emerging needs of First Nation economies in the region. When the emerging training needs are detailed, it is necessary to work with all the training and education institutions in the region to ensure there are the training programs are available and in place. It is also essential that appropriate funding strategies are implemented.
- Should the present post-secondary institutions in the region not be able to respond to the specific training needs of the respective communities, other strategies should be implemented, including brokering training from other First Nation institutions, designing programs and methodologies that truly fit the respective needs of the respective communities of the north.
- An increased use of community delivery to allow post-secondary education to be offered within or closer to First Nation communities. This has proven to be successful in the case of Teacher Education Programs across western Canada.

- Increased opportunities for ongoing training for leadership and community economic development workers at the community level.
- Mentorship programs to transfer knowledge and skills be encouraged as part of a process to fill in gaps in areas such as business and finance. This might be achieved through greater use of apprenticeship and practicum work placements.
- A better fit between education and training for personal development and the needs of community economic development is required. Students need to have appropriate training available within the region and be directed towards academic programs that will permit them to fill the positions that are in demand in the areas of business and economic development.
- Development of First Nation expertise in land and resource management, and in businesses based on lands and resources. This implies obtaining the support of communities and education systems for the education and training of First Nation personnel in subjects such as land management, surveying, geology, oceanography, environmental studies, biology, land and wildlife management, and forestry.
- A focus and renewed commitment to increasing the participation and success rate of First Nation students throughout the kindergarten to grade 12 system.

## 2.5 Entrepreneurship

Many communities have created unique conditions for fostering economic development even when few apparent natural resources exist. The growth and development of entrepreneurship and subsequent entrepreneurial companies in First Nation communities requires more than just the provision of capital and training courses to develop entrepreneurial skills. It demands a supportive environment in which entrepreneurs can build their companies and flourish as respected members of the community. Entrepreneurial activity emerges when the conditions are right. Effective leadership, sound institutions with integrity, and strong business relations are needed to create these conditions. Without them, training will not create new business to employ people. With them, training courses to encourage and support entrepreneurs can become effective.

*The following approaches could support the development of entrepreneurship:*

- First Nation governments need to build a shared community vision that is entrepreneurial-friendly and that includes traditional business leaders and new entrepreneurs.
- Initiate pilot projects in the region and begin steps to help communities become “business friendly” communities

where entrepreneurs are encouraged and sustained and business ventures are welcomed and nurtured.

- Increase community awareness about the fundamentals of economics and the need to encourage successful business development.
- Create and support networks of entrepreneurs by providing mentoring, business services, education, and information. In most non-Aboriginal communities and regions, these networks are frequently formalized through chambers of commerce, business incubators, or other institutions. In First Nations communities, institutions need to be created and fostered until the networks reach a critical mass and become self-sustaining.
- Celebrate the contributions of community entrepreneurs. Recognizing the important community contributions of local entrepreneurs through public recognition awards is one manner of doing so.
- Initiate processes and steps to recognize business success and to promote best practices in order to provide models for future entrepreneurs.
- Build and provide entrepreneurs access to a wide diversity of sources of capital. This could include building the risk capital sector, organizing networks of angel investors, supporting funds and programs to provide seed capital to new businesses, and securing resources for lending circles and other non-traditional lending.
- Assist communities with developing connections internally and externally that are necessary for the establishment and development of the community and its business enterprises. The first stage of this process would be preliminary planning about the opportunities entrepreneurs wish to pursue, the establishment of cluster groups, and the provision of technical support to the emerging planning process.
- Support entrepreneurship through improved business advisory services, including support for new entrepreneurs in the critical months after the business is established. Strategies should focus on an incubation system to meet the demand for start-up business space, connecting new businesses to high quality specialized services that help businesses to succeed, and encouraging new company formation and growth.
- Improve and provide a more effective training process for youth and adult entrepreneurs and economic development officers (EDOs) tied into the business development process.

## 2.6 Business and Financial Capacity

Closely connected to and related to the issues of good governance and increased human resource capacity is effective and proficient financial operations. A necessary requirement is a businesslike financial management approach that builds both ownership of assets and a diverse range of financial and other partners and supporters. There needs to be an organizational format in which the for-profit sectors of the community are independent and managed with sound business and financial principals, even though community governmental entities are closely linked to its work. Businesses cannot compete successfully when the decisions are being made according to political instead of business criteria.

The successful creation of sustainable wealth and effective administrative and business program implementation depends on capacity. The term "capacity" has been used to refer to a broad range of administrative, business, and bureaucratic skills. Capacity building includes the following elements:

- Designing political processes that focus on long-term planning for the community;
- Nurturing an effective and progressive business community;
- Fostering a community consensus on growth that is consistent with the historical values of the community;
- Developing business services (legal, research and accountancy) to support external relationships with off-reserve businesses and governments;
- Developing a strong team responsible for the creation of economic wealth for the community. This team would have a wide range of skills and experience in economic and business sectors.

*The recommended strategies include the following:*

- The separation of business from politics. Strong administrative and business development institutions need to be created and supported that are independent and managed with sound business and financial principals and criteria.
- The development of a strong team responsible for the creation of economic wealth for the community. Members of this team would have a wide range of skills and experience in economic and business sectors, including identifying opportunities, establishing networks with the business sector, developing, brokering and contracting strategic alliances and partnerships, managing and negotiating financial arrangements, production and marketing.

- The development and delivery of specialized training modules that will lead to certification and ladder into diploma and degree programs is essential. In this way, First Nation administration and economic development staff can acquire within their respective communities, business development skills in finance, brokering, contracting, production, and marketing.
- The development and establishment of a regional or sub-regional economic development support organization or consortium is essential. Much of the research needed in the various economic sectors, feasibility plans, and preliminary business plans, and market sector analysis and such are duplicated many times over throughout the region or not done at all. A First Nations economic unit or consortium could provide regular, independent commercial and financial advice, assist with strategic planning, and provide technical support to the respective community economic development teams.
- In the short term, the Northwest Tribal Treaty Nations should create a clearinghouse to coordinate all funding programs available in the north and to increase communication and awareness so that there is a clear and concise understanding of all the funding programs and criteria that are available.
- For the long term, the Northwest Tribal Treaty Nations should establish a project review committee that is coordinated by the Northwest Tribal Treaty Nations to interact with Department of Indian and Northern Affairs (DIAND), other federal agencies, and provincial agencies to develop a coordinated and flexible approach to funding that will allow the respective communities to identify needs, design programs, and fashion funding according to their particular needs and requirements.
- NWTT, along with all communities need to have a focussed effort to make sure that all funding that is made available is long-term and stable. Stability in funding is important in order to develop programs for the longer term. At the same time, funding levels need to be sufficiently large to establish legitimacy, to generate excitement, to provide leverage, and to bring community leaders to the table and to keep them there.
- NWTT should work towards the creation of a trust or development fund in the northwest. Resources are going to be provided by the provincial government via the sale of BC Rail. The Federal government, through Western Economic Diversification (WED), has expressed interest in supporting some aspects of economic growth after the tabling of the UNBC Northern BC Economic Development and Vision Project. Revenue sharing from a range of sources such as industry and foundations might be added to such a trust to create a bigger source of funds. Also, the resources in some of the present funding programs that are no more than loan programs might be pooled in such a trust.

## 2.7 Access to Capital

There must be new sources of equity capital, a focussed effort by First Nations to accumulate and retain capital, and a coordination of the vast array of programs at the national or regional level so these programs have a community-based focus and are able to meet the goals of the community or Nation in their respective initiatives to develop sustained economic wealth for their communities.

These sources of equity capital typically come from land claim settlements, revenue sharing of resources from traditional territories, compensation payments, and interim agreements. Foundations, especially environmental groups, have great interest in developing truly sustainable economic growth in the north. Focussed government intervention allowing First Nations tenure on their former territories, along with sufficient capital to develop First Nations economic enterprises, would have profound results.

*Recommended strategies for increasing First Nations access to capital include the following:*

- The Northwest Tribal Treaty Nations, along with all its communities, need to have a focussed effort to make sure all funding that is made available is coordinated at the regional level and is flexible enough to meet the many development and planning activities. A flexible arrangement allows community organizations to allocate funding to their own priorities without fitting the spending into categories determined elsewhere. Flexible funding allows First Nation communities to identify needs, design programs, and fashion funding according to their particular requirements. At the same time, flexible funding encourages and obliges leaders to be more accountable to community members.
- There should be an increase in the availability of small loans through such mechanisms as micro-lending circles. Development of micro-lending programs is an important tool to develop very small businesses. Governments and institutions should make capital available to these programs and support the operating costs of the organizations that manage them.
- NWTT should provide leadership to facilitate the participation of economic development officers in the design of all programs and services related to community economic development. Creating a collective voice for northern BC's Economic Development officers might facilitate this.

- Communities should treat any new financial resources or acquisition of capital as a scarce resource and utilize it for investment in the creation of wealth. Revenue sharing and any other acquired capital can lever other finances that are greatly needed in the creation of wealth in respective communities.
- NWT and the communities should work to improve access to capital through the establishment of banking facilities at the community level, making funds available to establish micro-lending circles, and the greater use of revolving loan funds.

## 2.8 Access to Markets

All reports that have been reviewed have confirmed that the economies of the North are overwhelmingly based on primary resource sectors and, as a result, rely primarily on global markets. Early on in the planning for the creation of sustainable wealth, there must be the recognition that the market for the product or service will be somewhere outside the North and likely the key markets will be outside the province and country. Without a clear recognition of the demand and price for the proposed products or services, many of the attempts at wealth creation will be based solely on the hope of markets and the interests or present capacity of the members of the respective First Nation communities. Most often, these attempts at the creation of sustainable wealth fail.

There must be a clear focus on creating access to markets for the products and services that First Nations plan to develop and produce. Most often, these may be new or niche markets and may entail Nation-based or regionally-based cooperative marketing strategies.

*The recommended strategies include the following:*

- The capacity of First Nation communities to market the goods and services they produce needs to be strengthened. The availability of funds for the development and implementation of marketing plans and infrastructure requirements for marketing is needed.
- The development of cooperative arrangements, such as value-added production and cooperative marketing strategies for communities throughout the region is needed. A large number of the communities want to have value-added fish products and a few are working with large enterprises to market these products. There is a great benefit in having a cooperative marketing strategy for these products and, for a host of other forest and non-forest products that are harvested in the territories.
- There is high potential in locating and/or establishing niche markets that focus on First Nation culture and traditions and unique connection to the land. This

focus on “traditional and contemporary First Nation culture” includes the performing, visual and literary arts, language, museums, heritage, crafts, architecture, design, film and broadcasting. In addition, it includes a whole range of “soft tourism” opportunities including interpretative walks, educational retreats, and unique cultural experiences.

- The labeling, protection and promotion of uniquely First Nations products should be a high priority. New financial resources are required for First Nations to provide support for these activities within First Nation communities and economic consortiums in the region.
- First Nations communities in the region should be encouraged to undertake leakage studies of the revenues that flow into the community and to identify where those funds are spent. This kind of research can be a starting point for community planning, and can identify areas of opportunity for business development. Such businesses might be located on reserve, but the major opportunity is to take advantage of spending by First Nation community members in off-reserve locations.
- There is a great potential for larger First Nation economic development projects or opportunities that link communities together within the region. Research and identification of larger economic opportunities for development by a collective of First Nation communities is needed. The resulting synergies and economies of scale will be realized in many ways, including the improvement of the marketing capacity.
- The development of a coordinated regional First Nation tourism strategy, including development of regional tourism packages and cooperative marketing strategies is necessary.
- Research should be undertaken into the kinds of goods and services that are in strong demand in First Nation communities in the region, and that could be supplied by First Nation businesses. This entails developing a commitment on the part of the purchasers of such goods and services (such as band councils), to coordinate their purchasing in this manner. It also requires the creation of an inventory of Aboriginal businesses in the region and the development work to make the necessary business connections.
- Connections to the economies of regions surrounding First Nation communities need to be developed or improved by reaching out to the private sector, the Chambers of Commerce, and to municipal and or regional economic development planning bodies. These connections would allow the development of measures such as the establishment of an effective regional marketing strategy for the north.

### 3. KEY ROLES IN THE IMPLEMENTATION OF THE ECONOMIC STRATEGY

#### 3.1 Role of NWTT

The NWTT can provide leadership by ensuring the First Nation economic strategy is continually moved forward. It can coordinate economic development activities across the region and continually work to build networks of support and cooperation. Larger scale business opportunities could be pursued through cooperation of the communities in the region. It can provide technical help and professional expertise when requested by the respective communities. It can also help communities build their own capacities in a range of regional activities by providing workshops, assisting community leadership, sharing best practices, and supporting planning processes.

The strategy proposes the formation of a First Nation economic association or institute to be created by the NorthWest Tribal Treaty Nations. This Northwest First Nation Economic Institute would provide ongoing direction to the implementation of the economic initiative strategy and would be a strong, unified voice to advocate and represent the First Nations interests to the federal and provincial government, potential investors, regional and community organizations, and to the multitude of other stakeholders. This proposed Northwest First Nation Economic Institute would take the lead role in developing a work plan, establishing benchmarks, and monitoring and communicating success in advancing the First Nation economic strategy based on the established benchmarks.

The key roles for the NWTT Economic Institute would include the following activities:

- Coordination of economic development activities across the region
- Research and development
- Developing networks of support and cooperation
- Policy development and lobbying
- Sharing best practices
- Regional marketing
- Research and development for a First Nations Development Foundation.

#### 3.2 Role of Federal and Provincial Governments

The research has strongly indicated that first, First Nations must have stewardship of their economies if development is to succeed, and that second the creation of economic wealth is unlikely to succeed if the severely constrained land and resource base is accepted as given. Public policy must understand these factors before even the best-designed business development program can be expected to be broadly successful.

First, governments need to be brought to a position where they support the recognition and implementation of treaty rights in the matter of lands and resources. Second, they truly need to encourage, advocate, facilitate and support the development steps and actions taken by First Nations in the creation of their own self-governing institutions. First Nations communities must be able to plan the development of their economies, develop the projects, implement them, monitor them and change them if necessary. To allow this to happen, governments need to provide a broad policy framework within which First Nations communities and Nations can design their own instruments to further their objectives. The resulting programs flowing from these policies should provide a broad policy and the programs should provide flexibility to allow First Nations to address the wide range of development processes in their respective communities.

There must be new sources of equity capital, a focussed effort by First Nations to accumulate and retain capital, and a coordination of the vast array of programs at the national or regional level so these programs have a community-based focus and are able to meet the goals of the community or Nation in their respective initiatives to develop sustained economic wealth.

Stability in funding is important in order to develop programs for the longer term. At the same time, funding levels need to be sufficiently large to establish legitimacy, to generate excitement, to provide leverage, and to bring community leaders to the table and to keep them there.

Flexible funding arrangements are necessary to support social and economic development. A flexible arrangement allows community organizations to allocate funding to their own priorities without fitting the spending into categories determined elsewhere. Flexible funding allows First Nations communities to identify needs, design programs, and fashion funding according to their particular requirements. At the same time, flexible funding encourages and obliges leaders to be more accountable to community members.

Provincial and federal governments have a key role in assisting First Nations communities and institutions to move forward. In particular, financial support is needed in a host of areas. A key area is funding the formation and operation of a First Nations economic association or institute to be created by the Northwest Tribal Treaty Nations.

*Other key areas are financial and technical support for specific planning activities including the following:*

- Establishing of a community vision and a comprehensive community plan, including preliminary planning on the opportunities they wish to pursue, the establishment of cluster groups, research for the cluster groups in financing, production and marketing;

- Developing a comprehensive land plan;
- Conducting scientific research about existing and future resource development opportunities;
- Completing a human resource mapping or skills inventory in each community
- Undertaking specific research to identify the gaps that exist in the availability of educated and trained Aboriginal personnel, in relation to the emerging needs of First Nation economies in the region;
- Completing studies of the revenues that flow into the community and where those funds are spent (leakage studies).

*In addition, financial and technical support is required for these reasons:*

- To assist and strengthen the capacity of First Nation communities to market the goods and services they produce ;
- To assist with the labeling, protection and promotion of uniquely First Nation products.

### **3.3 Role of Mainstream Communities, Institutions and Private Sector**

Economic development of First Nation communities cannot occur in isolation from the rest of the Canadian, provincial or regional economy. Until recently, First Nation overall participation in the Canadian economy has been marginal. All too often, local First Nation economies are invisible to the surrounding economies, although they are significant contributors to those economies.

First Nations must participate in federal, provincial and local economic planning mechanisms. The establishment of genuine partnerships with the non-First Nation private sector has been very successful in some local communities and the development of further partnerships needs to be encouraged and facilitated.

Holistic approaches to development are crucial to sustainability. Economic development must be accompanied by activities that, while not focusing directly on economic development, still have a significant affect on it. These activities include promoting education, improving overall levels of health, developing positive cultural identities, and building and maintaining infrastructure and services for communities and families. In the absence of improvements in these other areas, the creation of wealth for First Nation communities will be curtailed.

Non-First Nations have a large role in assisting First Nation communities and institutions moving forward; however, the following selected recommended strategies

underlines some major areas requiring significant attention, support, and development:

#### **Education**

- A focus and renewed commitment to increasing the participation and success rate of First Nations students throughout the kindergarten to grade 12 system;
- The development of First Nations expertise in land and resource management, and in businesses based on lands and resources. This implies obtaining the support of communities and education systems for the education and training of First Nation personnel in subjects such as land management, surveying, geology, oceanography, environmental studies, biology, land and wildlife management and forestry;
- When the emerging training needs are detailed, First Nations need to work with all the training and post-secondary education institutions in the region to ensure there are the necessary training programs in place and that appropriate funding strategies are implemented;
- An increased use of community delivery to allow post-secondary education to be offered within or closer to First Nation communities, such as in the case of Teacher Education Programs across western Canada;
- The establishment of mentorship programs to transfer knowledge and skills be encouraged as part of a process to fill in gaps in areas such as business and finance. This might be achieved through greater use of apprenticeship and practicum work placements.
- The improvement and provision of a more effective training process for youth and adult entrepreneurs and Economic Development Officers (EDOs) that is tied into the business development process.
- The development and delivery of specialized training modules that will lead to certification and ladder into diploma and degree programs so First Nations staff workers within their respective communities can acquire business development skills in finance, brokering, contracting, production, and marketing for each respective community.
- The development of support for entrepreneurship through improved business advisory services, including support for new entrepreneurs in the critical months after the business is established. Strategies should focus on an incubation system that will meet the demand for start-up business space, connect new businesses to high quality specialized services that help businesses to succeed, and encourage new company formation and growth.

## Business Community

- Work to improve access to capital through the establishment of banking facilities at the community level, making funds available to establish micro-lending circles, and making greater use of revolving loan funds.
- Work in a sincere and cooperative manner with First Nations to ensure there is just compensation and accommodation, and that communities obtain a fair share of royalties and benefits that accrue from corporations that develop resources on traditional territories.

### 3.4 NWTT Economic Institute

NWTT is now planning to provide the necessary leadership to ensure the First Nation economic strategy is continually moved forward. The strategy proposes the formation of a First Nation economic association or institute. The Northwest First Nations Economic Institute would provide ongoing direction to the implementation of the economic initiative strategy and would bring a strong, unified voice to advocate and to represent First Nation interests to federal, provincial, and municipal governments, potential investors, regional and community organizations, and the multitude of other stakeholders. This proposed Northwest First Nation Economic Institute would take the lead role in developing a work plan, establishing benchmarks and monitoring and communicating success in advancing a First Nation economic strategy based on established benchmarks.

### 3.5 Next Steps

At this time NWTT envisions the creation of a separate board of directors to provide direction for this proposed First Nation Economic Institute. Key First Nation individuals with experience and a proven record in creating economic wealth would be appointed to this board, along with other individuals with specific business knowledge and experience.

The most apparent need is to secure long-term funding for the operation of the proposed First Nation Economic Institute. The board of NWTT has begun immediate steps and has initiated meetings with officials at all levels of government. Further work to secure funding will proceed throughout the late winter of 2004 and spring of 2005.

The NWTT economic strategy has many facets and the role of the Northwest First Nations Economic Institute would be first to do strategic planning to determine what objectives are a priority and develop some short term and longer term goals.

There are some immediate tasks required for the next steps. It is important that our respective communities have an opportunity to review the strategy in detail and, in particular review the best practises that are included in the final report. This would entail workshops at a community level.

Over the past two years, NWTT has begun to develop networks and establish formal connections with a host of agencies inside the region and outside the region. It is important that these networks be maintained and further developed and extended. There are a wide range of developments in the region and it is important NWTT have staff and resources to sit at the table and to support economic initiatives with others in the region.

Our strategy report indicates that stable funding, control of decision making at the regional or community level, and additional capital that is sufficient to truly develop First Nation economic enterprises would have profound results. There are a host of financial support programs that are operating. Some of them are producing results; some of them are considered as more of a barrier to creating wealth than as an asset. It is important that these programs be reviewed in detail and that steps are taken to coordinate them at a regional level. Steps need to be taken in the policy area to develop mechanisms to make the present resources work more effectively. Work is needed to create a regional identity and possibly a new regional trust.

There are a host of possibilities for economic growth. There is a definite need for research and development activities to explore them, examine their feasibility, and complete the development work to make them a reality. One such possibility is the development of a cooperative marketing strategy for a host of forest and non-forest products within the region.

A strong case can be made that a quiet crisis is building because of the low education attainment of First Nations. There is growing gap between the communities' need for expertise and trained professionals and technically skilled workers and the production of them. The report states that there should be a renewed focus on increasing education attainment from preschool through adult levels. Leadership throughout the communities must organize and bring a coordinated and concentrated effort to increase educational success at all levels.

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