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INTRODUCTION

Through a number of federal initiatives, including *Gathering Strength*, INAC is committed to developing policies and programs that support strong people, communities and economies. Many of INAC’s existing economic development programs aim to support processes that serve community-defined goals and objectives. It is necessary for INAC to understand how diverse community-based goals relate to INAC’s overarching policy framework so as to strategically facilitate and better assess progress made in local initiative processes.

This project pursues this quest for understanding, relevance and accountability through examining the use of development benchmarks and indicators. We have interpreted our task as two fold:

1. To research the extent to which there exists benchmarking and indicator systems that link community, intermediary organizations, and program and policy levels of action into a coherent application of development effort. We have examined a wide range of materials provided from INAC, from the CCE library and through an internet search. Included in this examination was a structured reflection on the depth of experience the Centre for Community Enterprise brings to the field of community economic development, to Aboriginal development, and more generally, research relevant to the use of benchmarking and indicators at the community, institutional and societal levels.

2. To bring this research and reflection into play to systematically and creatively think about the current policy and program context within which INAC operates its economic development programs, and then, to articulate the connections and tensions we see between current INAC efforts and CCE’s research findings.

As is often the case in CCE, our pursuit of this effort led us somewhat beyond the terms of reference. In a very preliminary way, we have tried to add value to our contracted ruminations. In Appendix One we set out the results of our “added value” reflections. Essentially, we attempt to apply a “CED best practice framework” to the task of constructing a benchmark and indicator framework that may, over time, be a useful component should there be an appetite to design a more results focused indicator framework relevant to Aboriginal development.
What emerges from our overall effort in this project is greater analytical clarity and some basic concepts, which if carefully worked with, has significant potential to create a more generative framework for addressing two fundamental needs. First, the current system does not adequately inform progress being made in Aboriginal development at any level. Everybody needs this kind of capacity, without which development over time becomes a blur, and accountability for results a phantom. Second, the development of a real results and indicator framework is central to more effectively allocating resources to “turn the curve” in achieving more durable results.

One of the thought provoking and useful features of this paper is its exploration of how the linkage between results, indicators and performance measures (defined in the first section of this paper) are actually being applied at levels that extend from legislators and policy makers to program managers and community-based organizations doing the work on the ground.

What is perhaps most important for the reader is that building a more results based orientation to development can be done, it is being done and, although still relatively early in its evolution, there is system wide application of results, indicators and performance measures frameworks that are showing real promise. It is a strategic level of innovation that promotes learning, flexibility, and responsible use of resources as well as improving overall accountability and effectiveness. Thinking through the challenge of such an approach in the context Aboriginal development is a provocative and potentially worthwhile approach.

BUILDING A COMMON LANGUAGE AS A STARTING POINT

There are several terms that require clear definition in any inquiry into measures that purport to track community development, including Aboriginal development. Imprecise use of key terms muddies the waters, and leads to confusion among policy makers, managers and development practitioners. Processes without a common language tend to be frustrating and ineffective. Work can become mired.

In an attempt to not contribute to this confusion we have adopted the definitions found in Mark S. Friedman’s insightful discussion paper, “A Guide to Developing and Using Performance Measures in Results-based Budgeting.”

Accountability for results is one type of accountability. Accountability for performance is another kind of accountability.
Result or Outcome

“A *result* is a *bottom-line* condition of well-being for children, families, or communities. It is a broadly defined, fundamental condition that government and citizens consider essential for all its members. One such bottom-line expectation of the community might be that all of its children should be born healthy. Another might be that all children should enter school ready to learn. A third might be that young people should make a smooth transition to adulthood. Results are umbrella statements that capture the comprehensive set of needs that must be met to achieve success. By definition, achieving these basic conditions of success requires concerted action by all sectors of the community.”

Indicator

An *indicator* is a measure, for which we have data, that helps quantify the achievement of a desired result. Indicators help answer the question: "How would we know a result if we achieved it?" Examples of indicators include: rates of preventable disease among children; reading and math achievement scores; high school graduation rates; rates of teen pregnancy and drug use; and crime rates.”

Friedman is referring to what CCE calls "footprint indicators," that is, they are indicators for which “hard data” is available.

However, there is another type of indicator known variously as imputed or perceptual indicators. These “soft” indicators most often require data collection. They measure peoples’ attitudes and perceptions and have been related to key characteristics of “successful” communities, or what CCE has defined as resilient communities. We will return to this in the next section.

Performance Measure

“A *performance measure* is a measure of how well public or private agencies and programs are working. Typical performance measures address matters of timeliness, cost-effectiveness, and compliance with standards. Examples of performance measures include: percentage of child abuse investigations initiated within 24 hours of a report; amount of child support collected for each dollar expended on child support enforcement; and police or fire response time.

Performance measures are absolutely essential for running programs well. But they are very different from results and indicators. They have to do with our service *response* to social problems, not the *conditions* that we are trying to improve. It is possible, even common, for individual programs to be successful, while overall conditions get worse.”

“The key distinction in this set of definitions is between ends and means. Results and indicators have to do with ends. Performance measures and the programs they describe have to do with means. The end we seek is not "better service" (Or even "integrated service." Service integration is a means, not an end in itself.) but better results.”

Performance Measurement, Development Indicators & Aboriginal Economic Development
Accountability for performance is another kind of accountability.

“The key distinction in this set of definitions is between ends and means. Results and indicators have to do with ends. Performance measures and the programs they describe have to do with means. The end we seek is not "better service," or even "integrated service" - service integration is a means, not an end in itself - but better results.”

A Caution with respect to Performance Measurement

Friedman provides some cautions with respect to the use of performance measurement that are of relevance to this paper.

"Much of the tradition of performance measurement comes from the private sector and, in particular, the industrial part of the private sector. Work measurement—dating back to the time and motion studies of the late 19th and early 20th centuries—looked at how to improve production. Industrial processes turn raw materials into finished products. The raw materials are the inputs; the finished products are the outputs.

“This model does not translate very well into public or private sector enterprises that provide services. It does not make much sense to think of clients, workers, and office equipment as inputs to the service sausage machine, churning out served, cured, or fixed clients. Instead, we need to begin thinking about services in terms of the change-agent model. The agency or program provides services (inputs) that act upon the environment to produce demonstrable changes in the well-being of clients, families, or communities (outputs).

“One common situation illustrates the problems that arise when industrial-model thinking is applied to services. It is the belief that the number of clients served is an output. ("We have assembled all these workers in all this office space, and we are in the business of processing unserved clients into served clients.") This misapplication of industrial-performance concepts to services captures much of what is wrong with the way we measure human-service performance today. "Number of clients served" is not an output. It is an input, an action that should lead to a change in client or social conditions—the real output we are looking for: "We served 100 clients (input) and 50 of them got jobs (output) and 40 of them still had jobs a year later (even more important output)." This is a whole different frame of mind and a whole different approach to performance measurement. (More on what Friedman recommends as a framework for selecting performance measures is provided later in the paper)
“A closely related industrial-model problem involves treating dollars spent as inputs, and clients served as outputs. In this distorted view, dollars are raw materials, and whatever the program happens to do with those dollars are outputs. It is easy to see why this oversimplification fails to meet the public's need for accountability. In this construct, the mere fact that the government spent all the money it received is a type of performance measurement. This is surely a form of intellectual bankruptcy. In this scheme, almost all the agency's data are purportedly about outputs. This gives the agency the appearance of being output-oriented and very progressive. It just doesn't happen to mean anything. “

Aboriginal economic development then, by definition, falls under the rubric of the “change-agent model”: It is oriented to changing a “benchmark” or “baseline” condition, the operant assumption being that the policy and programs that support services (inputs) are designed to “act upon the environment to produce demonstrable changes in the well-being” of Aboriginal individuals and communities. It is therefore incumbent that “Performance measurement” be related to achieving “results.”

**SUMMARY OF RELEVANT FINDINGS FROM THE CCE SCAN**

**Introduction**

There are several levels of use for indicators relevant to the issues implied in the terms of reference. They include the community and intermediary organizational levels (which we can think of as users of public resources for direct application to Aboriginal development) and the program and policy levels (which we can generally think of as the providers of public resources). The intermediary (by which we mean sub-regional organizations such as tribal councils, development corporations, Aboriginal capital corporations, etc.) and community agents use the resources to achieve development impacts relevant to Aboriginal populations.

Users achieve (or fail to achieve) development impacts out of processes they presumably control. Providers achieve development impacts through the conditions they place on the resources they provide and their adequacy in relation to the outcomes/results being sought.

To analyze the linkages between these four levels requires data appropriate to the levels as well as a clear understanding of the logic links between levels. It is within this context that benchmarks, results/outcomes, indicators and performance measures can become meaningful.
We must keep in mind that policy is designed to produce change. Given the definitions provided above, it should be evident that the adequacy of the articulation of results through the application of indicators and performance measures at the policy and program level, as well as the degree of coherence between the four levels, will be important reference points guiding our exploration. Yet another point of consideration is the way in which agency performance measures, when inadequately informed by clear definition of results and indicators, can potentially influence the degree to which progress can even be recognized.

Keeping these things in mind, we have chosen bodies of work that we believe will assist in focusing the main issues relevant to the discussion of performance measures, indicators and Aboriginal economic development. It should be noted that we scanned a host of web sites looking for material relevant to our task, which are attached as Appendix 2, but the effort yielded very little.

Four of the summaries relate to work done by the Centre for Community Enterprise. Two of these focus on the relationship of government policy and programs to the Aboriginal economic development context. Each analyzes government policy and programs through the lens of best practice frameworks derived from what works in the CED field. They are particularly useful in illustrating the interplay of influences shaped by inadequately defined policy and programs on the results being achieved by intermediaries and communities.

The third is related to the Oregon Benchmark system, which at the societal, institutional and community levels, is the most advanced experiment in North America of its kind. In Oregon, a state wide strategic vision has been coupled with definition of results and indicators and a capacity to track progress that has had incredible impacts at several levels. The State government is also among the most advanced jurisdictions in linking performance measures within agencies to broader societal results and indicators.

The fourth of the CCE documents flows out of a major applied research project known as the Community Resilience Project. Tested in a variety of non-Aboriginal rural settings, the Community Resilience Manual is now being used internationally in a variety of rural development settings as an efficient and effective means to help communities assess their development context using perceptual indicators.

A fifth body of work that appears directly relevant to the objectives of our task, although not directly related to Aboriginal economic development, comes
out of the results based budgeting movement in the U.S. Although still relatively early in its evolution, this system wide application of results, indicators and performance measures is showing real promise as an innovation that promotes learning, flexibility and responsible use of resources within an overall framework that improves accountability and effectiveness. Thinking through the challenge of such an approach in the context of Aboriginal development is a provocative and potentially worthwhile approach.

Lastly, there is an exciting debate emerging in the Canadian context that bears reporting on. Legislators, senior civil servants and a range of non-governmental organizations recently held a symposium called “Measuring Quality of Life: The Use of Societal Outcomes by Parliamentarians.” Again, while broader than the focused subject of this inquiry, there are aspects of this discussion that contextually inform our discussion, and that imbue our work with meaning in the larger context of government exploring the actual and potential impact of societal indicators and outcomes, and quality-of-life measurement and reporting, as tools to improve governance in the 21st century.

“Building Self-Reliance? A Strategic Assessment of Economic Development Programs Affecting Yukon Indians”2

This comprehensive Yukon study looked at all Federal and territorial programs relevant to Aboriginal economic development through the mid-’80s. Community level and intermediary organizations (Yukon Indian Development Corporation and Dana Naye Ventures, a region-wide small business lending organization) were included in the review of government resource allocation.

The central framework which shaped the analysis was that of the “Development Wheel,” a diagnostic and planning framework derived from CED best practice, meaning that it represented a synthesis of the key components known at that time to be crucial to achieving durable and relevant community economic development outcomes in disadvantaged communities.

The categories that make up the framework are organizational prerequisites, pre-planning, organizational development, venture development, community participation, strategic networking and technical assistance. The central hub of the “Development Wheel”, around which all these components revolve is organizational capacity. Organizational capacity is central to managing the community economic development process over time. Also important to recognize is that the components of the planning framework, when understood in their phases and relationship to each other, help build FN organizational capacity to incrementally expand the scope and complexity of what can be successfully undertaken.
The policy and practice guidance to be derived from the application of the Development Wheel is related to the adequacy of the resources (time, talent and money) made available to support each of the component building blocks. (See Appendix 3 for a description of each component in both text and graphic formats).

The results of this analysis were dramatic. Out of $12.5 million spent over four years, $10.5 million was focused on venture development in the form of studies, grants or loans. In addition, much of Technical Assistance was also focused on venture development, an additional $900,000. Here is the breakout.

- Organizational Prerequisites 166,000
- Pre-Planning 401,000
- Organizational Development 301,000
- Community Participation & Strategic Networking 21,000
- Technical Assistance 895,000
- Venture Development 10,500,000

A measurably 10% of the budget was invested in the other four components, all of which are of fundamental importance to economic development in marginalized communities. Moreover, without a focused capacity in play somewhere in the system to manage the venture development process, the investments made in business development were vulnerable to a high rate of failure.

This imbalance stemmed primarily from a policy level confusion between economic and business development. In the Yukon, at this time, the emphasis was almost totally focused on business development.

The lack of understanding of economic development at the policy level revealed itself in a wide range of programs, which ironically often competed with each other to finance limited business opportunities, while other types of resources fundamentally important to economic development were unavailable.
Training programs, not included in the figures above, were fractured between several institutions. There were no mechanisms for tailoring training priorities with employment opportunities except on an ad hoc basis.

The only indicators tracked are businesses started, loans provided, jobs created, and resources leveraged. However, there were no indicators that tracked performance over time, for example, business survival and expansion rates. And, not surprisingly, there were no indicators applied to the broader set of components that are vital to CED.

The old adage of the tool becoming the lens from which one views the world is applicable here- if all I know is how to use a hammer the whole world is a nail. Not a very bright prospect if what one wants to do is build a house.

“CED in the High Arctic: Progress and Prospects”

This book analyzes the evolution and practice of 3 regional CEDOs in Nunavut over a 10-year period. It uses a somewhat different framework, also derived from best practice. It analyzes each CEDO, including the flow of resources to it, from the perspective of key functions critical to strengthening the economy and a series of characteristics of best practice organizations. These are summarized in the table, which follows.

<table>
<thead>
<tr>
<th>Comprehensive Mind Set and Strategic Approach to Key Functions</th>
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</thead>
<tbody>
<tr>
<td>• Planning and research capacity relevant to core mission and goals</td>
</tr>
<tr>
<td>• Building Community Equity</td>
</tr>
<tr>
<td>• Accessing credit resources</td>
</tr>
<tr>
<td>• Strategic Approach to human resource development</td>
</tr>
<tr>
<td>• Strategic networking and partnership development</td>
</tr>
<tr>
<td>• Advocacy of and leveraging of infrastructure to strengthen community economies</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>Clear Governance and Accountability Framework</th>
</tr>
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<tr>
<th>Degree and Nature of Community Participation Patterns</th>
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<tr>
<th>Competent use of and Leverage of Technical Assistance and other External Resources</th>
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<table>
<thead>
<tr>
<th>Strength of Outcome Orientation Evident in Implementation of Functions, programs and tools</th>
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<tr>
<th>Leadership with Social Entrepreneurial Qualities</th>
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</table>
We have included as Appendix 4 the use made of these characteristics to analyze each of the Regional CEDOs. The examples provided, the Kitikmeot Economic Development Commission and its sister organization, the Kitikmeot Development Corporation, are clearly the most advanced of the three based on analysis of their results.

A qualitative difference between the Yukon and NWT circumstances was that, beginning in 1990, the Canadian Aboriginal Economic Development (CAEDs) program was just beginning to be implemented. It had a 5-year time horizon. Core funding resources to CEDOs were available which, in the eastern arctic, were utilized at the sub-regional rather than local level. There was also a presumed commitment at the national level that three major departments with interest in various aspects of economic development - in business development (Industry Canada), human resource development (HRDC) and capacity building (INAC) - had agreed to work together. In the first chapter of this book, the following characterization of the INAC portion of the CAEDs strategy was noted:

“The introduction of the CAEDS program in 1989 created a unique opportunity for Inuit to begin the long, difficult process of building their own economic development institutions. As far as CEDO development was concerned, the crucial resource in the CAEDS program bundle was the funding, which flowed from Indian Affairs directly to Sinnaq and the CEDOs. It was flexible yet required attention to planning and it was guaranteed for a 5-year period. There was a recognition in INAC that establishing capacity to address economic development opportunities and constraints required sustained learning over time. Moreover, an important aspect of this learning was the feature of community control (which could mean one community or a group of communities acting together regionally.”

(CED in the High Arctic, Chapter 6)

“A particularly important feature of the approach, especially in relation to Inuit desires to create their own economic development capacity, was INAC’s community economic development program. Very flexible in its funding framework, it allowed CEDOs to use the money for planning, staff, equity, credit, capacity-building - almost anything that would support economic development at the local or regional level. The only criterion was to have in place an operational plan setting out goals, specific objectives, and a budgeted action plan.

“This feature of CAEDS was of crucial importance to the birth of CEDOs in the eastern Arctic. For Inuit, CAEDS represented a unique opportunity to develop Inuit institutions that could be involved directly in provision of economic development services. Previous to CAEDS there was no direct support for Inuit development in this area. Services were either provided
directly by federal Aboriginal programming or by territorial government agency services of general application.” (CED in the High Arctic; Chapter 1, page 8)

What is important about this case analysis is the application of the best practice derived analytical framework to the task of tracing and understanding the development paths taken by the three different CEDOs over an 8-year period. The results are important in a number of respects, not the least of which is that the analysis was successful in identifying a number of the factors at the policy, program, intermediary (regional CEDO) and community levels that drove more or less successful outcomes. For the purposes of this inquiry, therefore, the framework helps us understand the policy and program tensions that flowed from very different policies and assumptions operating across departments and jurisdictions.

Another aspect of this case study that is very useful is how it discusses and analyzes the relationship between community level capacity, sub-regional intermediaries and Nunavut wide intermediaries. The conclusion that not all functions can be layered into the community level in such small and scattered human populations is self-evident.

Also useful, this case demonstrates how critical it is to consider the impacts of conflicting government policy, jurisdictions and turf related politics on the Aboriginal development context. The huge gap between NWT and Federal policy and programs are crucially important. CAEDs was clearly an advance in the Federal policy arena, whereas, the NWT government suffered the same myopia evident in the Yukon study, where economic and business development were considered the same thing. This policy and program conflict, embedded in approach to economic development in the eastern Arctic shaped some of the issues, confusion and challenges the three CEDOs had to contend with.

Lastly, the analysis reveals evidence at every level that articulation of outcomes was weak. If one is to construct an indicator based system that yields data that contributes to accountability, transparency and learning, a stronger interest and capacity in outcome/results definition is strategically important. The dominant interest of government policy (especially the GNWT) in the eastern Arctic, in contrast, was primarily on efficiency, coordination, jurisdiction and resource coordination, all embedded within a distressing absence of any discussion related to outcomes.

In summary, these first two cases illustrate an inadequately specified policy intent, in part due to little understanding of current best practice and in part
due to weak articulation of results at the policy and program levels. These factors have led to a disconnect between general intent (e.g. increasing community self-reliance) and the application of resources to widely varying Aboriginal development contexts. In all cases, there is a lack of attention to indicators that are in anyway linked to intent, other than jobs, business starts and leverage of resources.

The Community Resilience Manual

Over the past decade, a series of systemic transformations in the international, national and regional economies have negatively impacted a wide range of once thriving resource-based communities. Some have demonstrated a high level of resilience in pursuing positive change strategies. Others have made little or no effort to take any developmental initiative and withered away.

How does one recognize a resilient community? Why do some communities thrive and others, in very similar situations, fail to adapt? These questions drove the CCE team to examine their own community development facilitation practice. Community development experience from across North America was extensively reviewed in the hope of abstracting the key characteristics of communities that reflected the following definition of resilience.

“A resilient community is one that takes intentional action to enhance the personal and collective capacity of its citizens and institutions to respond to, and influence the course of social and economic change.”

Twenty-three characteristics of resilience were identified. CCE then created and subsequently validity tested in a number of field study applications, a set of indicators through which a community (either on its own or with whatever technical assistance it might require) could effectively and efficiently capture a self-portrait that powerfully reflected development related attitudes, beliefs, patterns of cooperation and conflict resolution, as well as how the community functioned in terms of community decision making, in general, and developmental planning and implementation, in particular. This portrait can then be juxtaposed with the Manual’s parallel detailing of established and proven resilience factors. The community (or regional clustering of communities) is thus provided with a basis for evaluating their own state of relative readiness to proceed while at the same time identifying those community capacity factors that need to be strengthened at an early stage in the developmental initiative in order to better assure success. A “Tool Kit” was also developed as a companion to the Community Resilience Manual in order to provide a profile of methods and techniques relevant to strengthening...
a communities resilience factors For those communities that seek technical assistance in developing their planning and implementation strategies, a pre-structured workshop option is available which assists community and intermediary organizations in the analysis and interpretation of the data gathered based on the Manual’s indicators.

After developing and proof of concept testing the Manual in a number of community and regional trials in B.C. and Alberta, the Manual and its adjuncts were made freely available for download and use on the CCE web site. As a consequence we now have independent feedback from a number of far-flung applications that include the United Kingdom, New Zealand and Australia. Thus, this now widely diversified application feedback leaves little doubt that this best practice defined and focused indicator driven CED Manual works in a timely and effective way. The feedback particularly reinforces the importance of our inclusion of the social capital prerequisites as well as the more conventional economic factors required to achieve successful adaptive change.

However, despite the fact there were Aboriginal people on our steering committee that was structured to guide the field testing, and their subsequent interest in adapting this approach specifically for Aboriginal application, it has not yet been validated (and where necessary modified) in any uniquely Aboriginal community setting.5

However, quite aside from this approach’s potential with respect to Aboriginal community application, CCE believes that this methodology has implications for policy and program level application in that it is but a short step to adapt these development targeting indicators into time series benchmark measures through which all four (previously discussed) policy, program, intermediary and community levels of support and action could be more effectively coordinated and rendered appropriately accountable within their own jurisdictional realms. Indeed, in a much wider context, this has been the experience in attaining quite remarkable system level change in the state of Oregon to which we now turn our attention.

The Oregon Benchmarks6

The Oregon Benchmarks is not one thing. Rather, it is a series of steps and related components, which together create a systemic framework for guiding change efforts in Oregonian society.

The first step, and a foundational component, was the creation of a unified strategic vision. The State Oregon did this in 1989 with the publishing of a strategic vision referred to as “Oregon Shines.” Involving over 200 citizens
from all key sectors of Oregonian society, and supported by government personnel, Oregon Shines from beginning to conclusion was done in six months.

A vision without meaningful targets and measures that focus action and guide resource allocation will neither inspire nor contribute to real change. The Oregon Benchmarks are a combination of targets (defined outcomes/results) and measures (indicators) that inform and track progress towards realizing the strategic vision. Both of these components have been well advanced in the last decade’s systematic implementation of the Oregon Benchmarks system.

The linkage between key components – vision, outcome based goals and related indicators – is summarized in the graphic below.

But the system continues to evolve further. The “Benchmarks” themselves are becoming the foundation for change efforts and common strategies at several levels of Oregonian society. The clarity of the outcomes and measures are stimulating and facilitating the defining of strategies and the building of effective partnerships.

Of course none of this could have achieved the remarkable results realized in Oregon without the creation of a dedicated implementation institution. The Oregon Progress Board is made up of a board of 12 citizens, chaired by the Governor, and, along with a 4-person staff, they carry out a legislative...
mandate to define “benchmark” outcomes and track the progress toward their attainment. Hundreds of citizens were involved in establishing the benchmarks and continue to be involved in their revision as learning takes place and priorities change. The Oregon Progress Board is, in and of itself, and in the way it is linked to key policy and decision-making features of the Oregon State government apparatus, a core component of the Oregon Benchmark system.

They have also evolved into a key technical assistance resource to state agencies, which, since 1998, are required by law to design and implement agency performance measurement systems that are directly tied to one or more of the 92 indicators being measured and publicly reported on by the Progress Board every two years.

In summary, the combination of the Oregon Shines policy directions and the Oregon Benchmarks outcome measure tracking has created a framework that appears to have successfully inculcated a widely accepted orientation to using outcomes and indicator as being central to governance and effective stewardship of limited resources. There is no doubt that it has become a framework for learning and capacity building, not only for state institutions, but also for an increasing broad and diverse array of local government (county and municipal) and non-government organizations across the state.

The evolution of the Oregon Benchmarks system triggers many questions and much reflection on what might constitute an effective Aboriginal development indicator framework. Is there a need for an overarching strategic vision at the policy level? Are policy and program goals framed in terms of results that are clear and around which meaningful indicators can be derived? Is there a need for something akin to the Oregon Progress Board, which has high-level support and a clear mandate to build meaningful indicators, track progress and publicly report results?

The Results Based Budgeting Movement

“Results-based budgeting starts with the results we want for children, families, and communities and works backward to the means to achieve those results.”

This simple proposition is the subject of a significant body of thinking and writing that is focused on putting a results focus into practice within the complex environment of public decision-making and budgeting. While the focus of the opening quote is focused on children and families, the results based budgeting movement is cutting across a wide range of public governance functions and issues. Of the material we turned up in the course of
our search, it is the most generative thinking we found relevant to the objectives of our inquiry, particularly the struggle to grasp and articulate approaches that might more adequately address the tensions and ambiguities that flow between policy, program, intermediary and community levels.

If the thinking behind results based budgeting is thought through more completely than the scope this project has provided for, it has a critical role to play, conceptually and practically, in breaking through some of the problems and challenges facing the Aboriginal development community in building a more meaningful results based indicator framework.

**Turning the Curve: Defining Success in a Complex Environment**

The “Finance Project” referred to earlier when referencing the work of Mark Friedman, has a strong emphasis on the well being of children and families and has done considerable work to try and develop results based indicators that can lead to greater policy, program and delivery effectiveness. They note that people working in the field of children and family well-being often set themselves up for failure by creating “unrealistic expectations and impossible standards for success.” They attribute a large part of this problem to the way data is used to define success or failure.

“The typical approach to defining success is what we call, for want of a better term, ‘point-to-point’ improvement. If the juvenile violent crime arrest rate is now 506 per 100,000 youths, we tend to define success as reducing this rate to 450 over the next two years…This kind of definition of success is a setup. Most social conditions are more complex than this. These conditions have direction and inertia. This is reflected in a baseline, which is more often than not headed in the wrong direction. These directions can very rarely be changed quickly. Sometimes the best we can do is to slow the rate at which things get worse before we can turn the curve in the right direction. This is a more realistic way of thinking about success (and failure). Success is tuning away from the curve or beating the baseline, not turning on a dime to achieve some arbitrary lower target.”

The overall approach argues for using an *indicator baseline* that shows us where we have been and *cost of bad results baseline*, which defines the resources expended to address bad results: “children born unhealthy, children not ready for school, not succeeding in school, not staying out of trouble.”

These baselines become an essential component of results-based decision making and budgeting. “Without baselines, we are blinded to the reality of complex problems and complex spending patterns. We are limited by systems
that inaccurately measure progress and that skew decision-making away from preventive investments. Baselines allow us to think about problems in multi-year terms and to avoid the oversimplifications that accompany year-to-year or point-to-point comparisons.” (This is one of the values derived from the analysis in the eastern arctic, which tracked progress over an 8-year period utilizing a framework that way more analytically capable of identifying key factors that make up the complexity of economic development in a complex and challenging environment).

“Results-based budgeting uses baselines as the starting point for serious decision-making. The purpose of results-based budgeting can be reduced, in its simplest terms, to finding effective ways to improve our performance against the indicator and cost baselines for the most important results for children, families and communities.”

What is most exciting about the work of the “Finance Project” is the work they have done to conceptualize and apply what they call a *Strategy Map for Results Based Budgeting*. “The strategy map includes three main tracks: Results and Indicators, Decision-Making Tools, and Decision-Making Process. The basic progression is simple. Creating a set of results and indicators (track 1) lays the groundwork for developing new decision making tools (track 2), which informs, and to some extent makes possible, a new kind of decision-making process (track 3). The purpose of this effort is to make decisions that lead to improved results for children, families and communities.”

What emerges is a basic work plan which, if systematically applied over time, can create a more generative framework for understanding what is going on and more effective allocation of resources to “turn the curve” in achieving more durable results. What is also thought provoking and useful is how the linkage between results, indicators and performance measures (defined just as was presented in the definitions section of this paper) are actually being applied at levels that extend from legislators and policy makers to program managers and community-based organizations doing the work on the ground.

What is perhaps most important for the readers of this document to glean from this reference is that it can be done, it is being done and, although still relatively early in its evolution, this system wide application of a results, indicators and performance measures is showing real promise as an innovation that promotes learning, flexibility, and responsible use of resources within an overall framework that improves accountability and effectiveness. Thinking through the challenge of such an approach in the context Aboriginal development is a provocative and potentially worthwhile approach.
The work of Friedman is very helpful in clarifying and, in some ways, simplifying the conceptual basis for improving performance measurement. He notes that “the heart of any performance measurement system is the way in which data are categorized, selected, and used. The various approaches to performance measurement have produced different ways of doing this.”

He cuts this problem down to its bare essentials: “how do we choose data elements to measure performance? If we can answer this question, much of the rest follows suit. All work on performance measurement tries to answer two sets of interlocking questions.” (See diagram at right.)

He then makes the following bold assertion: All performance measures can be sorted into four categories, represented by the following four-quadrant matrix:

<table>
<thead>
<tr>
<th>QUANTITY</th>
<th>QUALITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>INPUT</td>
<td>How Much Service Did We Deliver?</td>
</tr>
<tr>
<td>OUTPUT</td>
<td>How Much Did We Produce?</td>
</tr>
</tbody>
</table>

“This sorting scheme allows us to pose and answer some common sense questions about performance. These are shown in their most basic form in the chart on the previous page.

**Upper-left quadrant:** How much service did we deliver? How much effort did we put into service delivery? How hard did we try?

**Upper-right quadrant:** How well did we deliver service? How well did we treat our customers? Was service courteous, timely, accessible, consistent, etc.?

**Lower-left quadrant:** How much did we produce? How many clients or customers showed an improvement in well-being? How much do we have to show for our service?

**Lower-right quadrant:** How good were our products? What percentage of our clients or customers showed improvement? What do we have to show for our service in terms of output quality?
One of the immediate consequences of this sorting scheme is that not all of these questions are equally important. We are (or we should be) far more interested in quality than in quantity. And it is not enough to count effort; we must also measure effect. “

<table>
<thead>
<tr>
<th>QUANTITY</th>
<th>QUALITY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INPUT</strong></td>
<td></td>
</tr>
<tr>
<td>4th</td>
<td>2nd</td>
</tr>
<tr>
<td>(Least Important)</td>
<td></td>
</tr>
<tr>
<td><strong>OUTPUT</strong></td>
<td></td>
</tr>
<tr>
<td>3rd</td>
<td>1st</td>
</tr>
<tr>
<td></td>
<td>(Most Important)</td>
</tr>
</tbody>
</table>

He then points out the all too common difficulties with many current performance measurement systems: they “provide a great deal of information on quantity of input (upper left), but very little on quality and output (the other three quadrants). Performance measures tend to deal exclusively with how many clients were served, how many applications were processed, etc.”

“This matrix allows us to separate the wheat from the chaff in selecting performance measures. Performance measurement should focus on the quality column measures and, in particular, on the quality of output measures. Therefore, we can actually assign an order of importance to the four quadrants as shown above. We need to move from our preoccupation with the upper-left quadrant, toward the upper- and lower-right quadrants.”

**Societal Outcomes, Governance & Accountability: The Canadian Debate**

Sponsored by the Parliamentary Library and facilitated by the Centre for Collaborative Government, this fall 2001 symposium represents one of the most thoughtful reflections on the issues and potentials of moving toward a framework of accountability based on achieving societal outcomes. The debate, reported on briefly here, involved a range of parliamentarians, civil servants and a range of non-government organizational leaders.

The gradual shift in government from process to results, from how policy and programs work to whether they work, is the starting point for the discussion. Societal outcomes result from many different factors, from many different levels of society, of which government is one important actor.

Moving to a governance model that tracks our progress in meeting societal outcomes through systematic use of quantitative and qualitative indicators is a
way of energizing enabling the engagement of elected representatives and citizens to participate more fully in the policy process. “The choice of societal outcomes involves a commitment to consensually defined values, and provides a transparent reference against which public debate can be framed.” Not only would this shift the relationship of government to citizens, it would reinforce the shift in government from more vertical to more horizontal planning and coordination. Moreover, the inextricable linkage between social and economic policy, a relationship most often ignored except in the most macro terms, would be forced to become more integrated.

The Strategic Social Plan (SSP) of Newfoundland demonstrates a number of these points. According to the Government of Newfoundland and Labrador, the SSP “represents a fundamental change in the way that this government plans, designs and delivers social and economic programs in the province.” Moving away from issue-based responses through relatively narrowly focused activities in a particular department, their government “now views social and economic policy development, planning and investment as parts of a single, integrated whole.”

The results of this new approach lead to a view that social programs are an investment in human capital, and they are being

“designed to strengthen links between the community, its economy and the particular skills and resources of the people who live and work within it. Similarly, regional and economic development policies and programs should promote Newfoundlanders’ well-being by helping to renew and develop the communities in which they live. The SSP is an effort to forge new policy, and program links between these previously separate policy fields.”

“The Strategic Social Plan makes use of societal outcomes in the form of four overarching goals: vibrant communities, sustainable regions based on investing people, self-reliant, healthy educated citizens and integrated evidence based programs...Together they provide an over-arching framework for social and economic programming. The Plan has also developed a set of indicators, both qualitative and quantitative, to measure the implementation of the approach.”

Each of these goals also gives rise to a number of sub-goals. Together, these provide the framework that is to guide the integration of social and economic policy and programming.
The need to monitor actions and assess the results in order to decide whether the desired outcomes are being achieved is a central component. A sophisticated tracking system called the Social Audit has been implemented with the aims of making government more accountable and to provide key information for program and policy evaluation. Indicators to measure progress are central and are intended to measure long-term outcomes.

The Plan puts a heavy emphasis on the use of partnerships of all kinds in implementing the new approach. They are seen as a key mechanism for achieving a more horizontal approach to policy development and service delivery. Overall, the aim is to make government more responsive and accountable and, at the same time, to give the public a more direct role in governance.

The Newfoundland example stimulated a view among participants that the use of an outcomes and indicator approach, requiring as it does an iterative process of reporting, learning and then adjusting, could have a significant impact on the basic relationship between legislators, bureaucrats and citizens. Indeed, they concluded that an effective set of societal outcomes and indicators could become a very powerful instrument of long-term governance. (Again, CCE research in Oregon suggests that both these conclusions are in fact the case).

REVIEW OF INAC ECONOMIC DEVELOPMENT POLICY, PROGRAMS & USE OF INDICATORS

As one element of the terms of reference, INAC asked that we review a selection of documents they provided in order to have a better understanding of the economic development policy and program context within which current indicator, reporting and accountability issues are being pondered.


The CEDP (Community Economic Development Program) within the economic development department of INAC has been a key part of the Canadian Aboriginal Economic Development Strategy (CAEDS). As noted earlier, it provides flexible resources that can be applied at community discretion to priorities that fall within one of six categories – development planning, advisory services, project planning, financing for training and employment programs, contributions and loans and equity investment. It is important to note that these functional categories correspond closely with the functions identified in the analytical framework used in the CCE report CED in the High Arctic (see p. 9). The entire logic model outlined for performance
measurement begins with these six “activity” areas. For each activity, the “primary reach” of the activity is defined (either individuals, businesses, Aboriginal organizations or Aboriginal communities) and an output is defined. For each output, short term and medium term impacts are identified.

Generally speaking, this report is a valiant attempt to amend and improve an existing reporting system. The problem is that the framework that is being amended is conceptually and practically deficient, at least in terms of the kind of definitions provided for at the outset of this paper. We note here several matters we believe may be the source of some difficulties.

- Results/outcomes are not defined, except in the most general of terms (e.g., capacity building, economic self-reliance) either at the global level of the program or related to the six activity levels. It suggests this is at least in part due to the range of intended program impacts being so broad, “since it reflects the pervasive nature of economic linkages and the diffusion effect of economic development at the community level.” Thus, the report concludes it is “difficult to identify performance indicators that can accurately account for the nature and scope of these impacts.

- Outputs as described in the logic model are by and large inputs. They do not define ends but rather means, for example, the number of hours of service provided, training days, people and businesses assisted, etc.

- To the extent that ends are defined, by which we mean results and indicators, they are called “short-term impacts” and “medium term impacts.” Most of the “short-term impacts” are focused on business start up and expansion, employment creation and maintenance and increased labour market participation. “Medium-term impacts” are all vaguely referred to as economic self-reliance or capacity building. Indeed, the report notes this as a problem. “The existing CEDP documentation is notably vague on the program’s intended impacts. Mention is made of the program as a tool to ‘encourage and establish community control over economic development’ – which can be thought of as a potential long term impact – but little specific indications of the program’s intended impacts can be found.” Unfortunately, this rather glaring problem is not picked up on or addressed directly.

- While the report did make a valiant attempt to begin to define indicators for such “intended impacts” as community capacity building, increased community control, and economic self-reliance, and while there are some that may be potentially useful, the lack of reference to the components of “best practice” in community based economic development, such as the material represented in the arctic CEDO analysis, leaves the entire effort handicapped.
“Capacity building” is described as an intended impact. While this is not entirely inappropriate, “capacity” is also a key means, without which, economic development is not possible, especially in disadvantaged communities. The fact that there are few indicators that signal progress in building core development capacity, and no means by which to establish a baseline from which to track progress over time, is a notable shortcoming.

There are no criteria recommended for indicator selection. More rigorous attention to the criteria cited earlier could possibly be useful in streamlining the number and usefulness of the indicators at every level. The number of core indicators must be kept manageable and must be meaningful on the ground and to policy makers.

Lastly, there is no “indicator baseline” from which to track progress. As noted by Friedman in the discussion of results based budgeting, without a baseline “we are blinded to the reality of complex problems and complex spending patterns.”

By way of encapsulating this discussion, it is useful to recall the definitional discussion engaged earlier in this report.

Aboriginal economic development then, by definition, falls under the rubric of the “change-agent model”: It is oriented to changing a “benchmark” or “baseline” condition, the operant assumption being that the policy and programs that support services (inputs) are designed to “act upon the environment to produce demonstrable changes in the well-being” of Aboriginal individuals and communities. It is therefore incumbent that “Performance measurement” be related to achieving “results.”

The problem, in short, is that the performance measures in this report are not grounded in adequate definition of policy or program results and indicators to really measure program performance over time.

Other INAC Economic Development Programs

In addition to the CED Program, INAC funds several other program streams in the economic development arena that include the resource partnership program, opportunity fund and resource acquisition initiative, resource access negotiations program, major business projects program, and the regional partnerships program. This major theme of this suite of programs is to position First Nations and Inuit communities and CEDOs to research, plan, build partnerships, conduct negotiations, access licenses and finance their participation in business and job creating opportunities, primarily related to major business and resource development partnerships. While this array of

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programming is no doubt very useful to First Nations, and can potentially contribute to building the economic base of First Nation communities in significant ways, there are no indicators identified that would systematically enable the results of this programming to be tracked and evaluated over time.

Comments on Other INAC Documents

We reviewed several other documents provided by INAC that they produced. Not all were of direct interest to our purposes here, thus comment is only provided on two: a very interesting research paper done in 1996 by INAC’s Research and Analysis Directorate called “A First Nations Typology: Patterns of Socio-Economic Well-Being, and the 2000 estimates of INAC.

“A First Nations Typology: Patterns of Socio-Economic Well-Being” is an incomplete, but nevertheless very useful attempt to define analytically what we already know intuitively, that is, that all First Nations are very different. It asks some very pertinent questions relevant to our interest in results, indicators and performance measures.

- What is the diversity of social conditions experienced by First Nations?
- Are the differences such that we can refer to types of communities?
- Are there geographical patterns of like-typed communities?

They allege, and we agree, that the answers to these questions are important in policy development if development outcomes are to be defined appropriately and related support resources designed effectively.

They analyzed statistical data on 380 First Nations, identifying five types based on socio-economic well-being. “The results show that different types of First Nations can be identified based on socio-economic circumstances and that there are distinctive geographical patterns of socio-economic well-being.”

Specifically, and in comparison with other First Nations, the results show:

- Four First Nations with high employment in primary industries; 68 with what might be described as emerging economies, 202 with typical levels of on-reserve disparity; 88 with relatively high disparity; and 18 exhibiting extreme disparities.
- ‘Primary industry’ and ‘emerging economy’ First Nations tend to be located in southern Quebec and Ontario, along the northern Ontario-U.S. border, and along the coast and southern interior of British Columbia. Reserves in northern Ontario have the highest degree of disparity.
Even First Nations with relatively good conditions have levels of socio-economic well-being that compare only with poorer regions in Canada, for example, the Gaspe region and rural Newfoundland.

The bottom line is that policy-makers should exercise caution in formulating “one size fits all” proposals and should assess the possibility of proposals resulting in different outcomes in different geopolitical locations as well as differing local and regional cultures. States of readiness, as previously eluded to in the discussion of the Community Resilience Manual (and which the Manual is well-suited to help define), should be included in a more general policy/program exploration aimed at constructing a more useful results and indicator framework.

The authors drew several conclusions from their research to guide further work, the most relevant to our aims being the following:

“The work on the selection of variables and the subsequent analysis demonstrate that there are not readily available data for many meaningful dimensions of well-being. Further, many of the existing data are collected on a five year cycle through the Census of Canada. New approaches to data collection would need to be explored and adopted if well-being is to be monitored on an annual basis. In terms of information needs, it is encouraging to note that the judicious selection of a relatively few variables may be sufficient to replace large numbers of correlated indicators.”

The INAC estimates suffer some of the same difficulties as identified with the CEDP report. However, the section on strong communities, people and economies does define an ultimate outcome.

“The ultimate outcome, to achieve health, self-sustained and economically viable communities and individuals, is measure by long-term trends in socio-economic indicators and by initiatives in the areas of investments in people, health and safety and economic development.”

However, most of what follows is an activity report. Inputs are being defined as outputs, the language used being “what did we accomplish in 1998-99.” Lists of projects follow, and while they are interesting, many do not define results. However, some do. There are some 5 year time series data presentations related to education, housing, basic infrastructure (water and sewer) and some specific counting of businesses and jobs created in the fiscal year being reported.
However, there is woefully inadequate attention to the measurement of “long-term trends in socio-economic indicators” Where they exist, the longest measurement period is 5 years. There are no baselines clearly indicated. And, other than the ultimate result, there are few definitions of results or indicators that help the reader assess progress against policy or program priorities.

DISCUSSION & SYNTHESIS

Results & Indicators

As noted more than once, results and indicators have to do with ends. In the context of Aboriginal economic development, the aim must be to design policy and programs in such a way that they support services and actions (inputs) that produce demonstrable changes in the well-being of Aboriginal individuals and communities.

The relative sparseness of articulated results and indicators within INAC and the confusion that is evident between what are inputs and activities and what are outputs and results, creates a kind of murky cauldron that blurs the complexity of the Aboriginal development environment and fails to provide a feedback framework that can effectively facilitate learning and adjustment at any of the levels – policy, program, intermediary or community.

Likewise, the absence of appropriately defined baseline (benchmark) data against which progress is being measured, reduces the value of the few indicators that are tracked in the economic development area. Even the public documents put in front of Parliament, while reflecting baseline data for a few limited categories (education and housing), do not extend beyond 5 years.

These weaknesses create a dual difficulty; accountability becomes confused and progress measurement is hampered.

We would surmise that these factors erode the potential for renewing and improving the relationship between INAC and the First Nations. We also suspect that it may impact overall morale and effectiveness of policy and program staff within the INAC organization. This rather bold speculation comes out of the extensive research done in Oregon, where many people reflected on how important the results/indicator approach taken by the Oregon Benchmarks has become such a central feature of how they think and work. The comment of a state agency economic development manager simply states the impact on his agency’s work.
“The outcome is the port, and while the courses different ships may take are different, the key for all of us is that we have the beacons (results focused indicators) that help us comprehend what mid-course adjustments we need to make. The benchmarks [indicators] and the linkage to my agency created a sense of direction, coherence & meaning to our work.”

This comment also serves to introduce another challenge the current INAC economic development policy and program apparatus faces if it wants to build a more accountable, transparent, and developmentally effective means to track results. Meaningful development in communities inextricably links economic and social goals. Results in the economic arena are impacted significantly by social factors and visa versa. The well-researched characteristics of best practice in the CED field reinforce the need to integrate action on the social and economic front if community well-being is to be advanced.

Does it not follow that the articulation of results and indicators in the Aboriginal development context need to be defined and tracked in an integrated manner?

We suspect that part of the difficulty and tension associated with current efforts to track results in the economic development program may be that they are inadequately linked to the social development side of INAC. Even more broadly, there is a range of other Federal Departments that invest in various aspects of Aboriginal communities. Given the several billions of dollars annually spent, it would seem to us that a common front to tackle the challenge of building a results-based set of indicators useful across Federal and First Nation governments [and we would expect provincial governments as well] would be a worthwhile long-term investment. Such an initiative, if

Performance Measurement, Development Indicators & Aboriginal Economic Development
undertaken jointly with Aboriginal leadership, might be a solid basis for building a more outcomes driven development partnership.

The Strategic Social Plan of Newfoundland is definitely worthy of further exploration in this regard. Its use of societal outcomes to drive definition of social and economic programming, has made real progress in developing an integrated set of indicators, both qualitative and quantitative, to measure implementation. Thinking through how this could be adapted to the Aboriginal context may be an important starting point. Moreover, they have developed an audit approach that is anchored in what are called community accounts that are linked to the societal outcomes, the related sub-goals and the indicators used to track progress at the policy and program levels.

The “First Nations Typology of Socio-Economic Well-Being” documents the wide variation in the relative well-being of First Nations communities. The implication from an economic and social development point of view are significant. Investment should be tailored to community. One size does not fit all. That the INAC’s CEDP intrinsically recognizes this is a real strength, however, as a single program, and in the absence of baseline data and a stronger results and indicator framework, our guess is that INAC itself cannot detect the strengths and weaknesses of its overall programming, much less a single program such as economic development, on the widely varying circumstances of First Nation communities.

We think the best practice frameworks introduced earlier, applied properly, could also be important tools in defining realistic and obtainable outcomes at the intermediary and community levels, in ways that are appropriate to the widely varying circumstances of different First Nations. We believe they may also have important program and policy applications.

For example, the Development Wheel checklist, introduced in the analysis of the Yukon programming, is an effective tool for assessing whether the cornerstones are in place upon which to build the foundation for economic development. Building a house without a foundation is not a good idea, nor is a major focus on economic development without some basic prerequisites in place. Calibrating investment with readiness, not in a linear sense, but within a holistic development framework, is just common sense.

Similarly, the Best Practice Framework used in the Eastern Arctic analysis of CEDOs has applications at each level. Building an outcome and indicator framework that is based on the characteristics of CED organizations that are achieving durable results provides both an assessment and investment checklist that can better distinguish what kinds of resources should go where.
We also think it may be another component to explore further in the quest to define more effective and consistent outcome and indicator linkages between the policy, program, intermediary and community levels. To this end, partly to add value to this product and out of our own interest, we have attached a very preliminary thought piece that articulates how these best practice characteristics might apply at the policy, program, intermediary and community levels.

Lastly, not everything that is important to creating successful communities can be counted. What we referred to as footprint indicators are important, however, perceptual indicators, as used in the Resilience manual, reveal critical social factors (attitudes and relationships) that can be critical determinants to community well-being and development. Work to adapt and test this approach as one component of improving the relevance of results and indicator definition in Aboriginal settings is an area worth further development, both as community development tool, and as a component of results and performance measurement.

**Performance Measures**

The INAC Accountability and Performance Measurement document on CEDP sets performance measurement squarely in programmatic terms, that is, simply a method for assessing progress towards stated goals. The term “performance indicators” are the “measures of resource use and developmental results achieved that are used to monitor program performance.”

The majority of the indicators used are focused on measuring the quantity of inputs (how much effort is put into service delivery) and the quantity of outputs (how much to we have to show for our service and expenditure of effort). What is missing, by and large, is what Friedman illustrates in his 4-quadrant matrix are the measures of quality. How good is the service delivered (is the service timely, accessible, consistent) and how good are the products (what percentage of our clients showed improvement in their well-being).

The fourth measure is the most important and, of course, it is also the measurement category that is directly tied to outcomes and which is most dependent on baseline data. We have already noted that both these areas are demonstrably weak. Therefore, it follows that this category of performance measurement is very problematic in the current context. The challenge is to move the focus of performance measurement from quantity to quality.
Moving Forward

The scope of this project did not call for, nor were the time and resources available to think through the steps that should be taken to address the challenges identified in this analysis. We have alluded to a number of possible starting points that hold potential for yielding a more adequate results, indicator and performance management framework. We believe that a systematic approach to doing so is eminently worthwhile.

We end with another quote, this one from a county level director of an economic development council in a small rural region hugging the northwest coast of Oregon. They have built one of the most interesting rural based applications of a benchmark based, outcomes driven, integrated development approach we are aware of.

“There are many practical uses we are making of the benchmark approach here in Tillamook county. They have played a key role in creating a framework on which we hang all kinds of initiatives and partnerships. However, I have to say that among the most important impacts is the slow but steady erosion of cynicism & the increase in hope & meaning in our individual and collective endeavors.”

ENDNOTES

1 Friedman, M.S. *A Guide to Developing and Using Performance Measures in Results-based Budgeting* prepared for the Finance Project, May 1997. This is one of a series of papers that have direct and tangential relevance to the inquiry undertaken in this report. They can be accessed through their web site [http://www.financeproject.org/](http://www.financeproject.org/).


3 Lewis, Michael T. & Lockhart R.A. *CED in the High Arctic: Progress and Prospects* Centre for Community Enterprise, 1999, completed for the Nunavut CEDO, a pan-Nunavut CEDO made up of the three regional CEDOs in the eastern Arctic.

4 Lewis, Michael T. (project director); Colussi, Michelle (field director), Lockhart, Dr. R.A. technical director, Rowcliffe, Pippa, McNair, Don, and Perry, Dr. Stewart. *The Community Resilience Manual: A Resource for Rural Recovery & Renewal*, November 2000. This resources is available for downloading free off of the CCE website at [www.cedworks.com](http://www.cedworks.com). A companion document partly written and fully edited
by Dr. Stewart E. Perry with input from other team members is also available called *Tools and Techniques for Community Recovery and Renewal*.

5 In the course of developing and testing the manual would not and could not do any application/validation testing without the full and willing cooperation and participation of the community itself. Unfortunately, while a number of Aboriginal communities have expressed interest, none has so far been willing to take the initiative on their own, or found sponsoring partner organizations, such as local CEDOs, Chambers of Commerce, or Community Futures, that has been typically the case in our non-native community application test.

6 Lewis, Mike, and Sandy Lockhart, “The Oregon Benchmarks: Oregonians are getting results from this approach to governance. Can we too?” *Making Waves: Canada’s Community Economic Development Magazine*, Vol. 12, No. 2 (Summer 2001), pp. 4-12. This summary article of a larger research project undertaken by the Centre for Community Enterprise is available of the Oregon Bar on the CCE website at [www.cedworks.com](http://www.cedworks.com). An extensive report on this subject and an analysis of its possible application in the B.C. context is available in electronic format from CCE from ccelewis@island.net.

7 Friedman, Mark *A Strategy Map for Results-based Budgeting: Moving from Theory to Practice* Prepared for the Finance Project, September 1996. This paper is one of a series of papers published by the Finance Project relevant to results focused indicator frameworks. It is available at [http://www.financeproject.org/](http://www.financeproject.org/).

8 *ibid*.

9 Bennett C, Lenihan, D, Williams J, & Young W. *Measuring Quality of Life: The Use of Societal Outcomes by Parliamentarians* November 2001 Centre for Collaborative Government, 90 Sparks St., Suite 606, Ottawa, Ontario K1P 5B4, (tel) 613-594-4795. This is a very provoking summary of a debate engaging parliamentarians, civil servants and non-government organization leaders sponsored by the Library of Parliament. CCE highly recommends reading this excellent piece of work.


11 These are descriptions of current program designs provide by INAC as part of the review.
APPENDICES

The following appendices are included with the hard copies of the report provided to Indian and Northern Affairs Canada. To purchase electronic copies contact mcnair@junction.net.

Appendix 1: A Preliminary Application of a CED Best Practice Framework to the Policy, Program, Intermediary and Community Level to the Challenge of Creating a Results Focused Indicator and Performance Framework

Appendix 2: Listing and summaries of website search for this Project

Appendix 3: Selections summarizing the Development Wheel taken from The Development Wheel: Community Analysis and Development Planning, 1991, Mike Lewis

Appendix 4: Lewis, Mike, and Sandy Lockhart, CED in the High Arctic: Progress and Prospects (Centre for Community Enterprise, 1999), Chapter 3: Kitikmeot Economic Development Commission.

Appendix 5: Lewis, Mike, and Sandy Lockhart, “The Oregon Benchmarks: Oregonians are getting results from this approach to governance. Can we too?” Making Waves: Canada’s Community Economic Development Magazine, Vol. 12, No. 2 (Summer 2001), pp. 4-12.


APPENDIX 1

This appendix is a preliminary attempt to apply the analytical framework derived from best practice used in analyzing the evolution of 3 CEDOs in the eastern Arctic over an 8-year period. We apply it to the four levels of aboriginal development being considered in this report, namely policy, program, intermediary and community. This represents a beginning and should not be construed as anything more. However, it may prove to be a useful reference point in future deliberations.

I. COMPREHENSIVE MIND SET & STRATEGIC APPROACH TO KEY FUNCTIONS

There is evident awareness, policies and practices that indicate an intentional scope of action that is inclusive of all the key functions known to be critical to strengthening the economic base of aboriginal communities and populations. These include planning, research & advocacy; building aboriginal equity; accessibility of business credit; human resource development and leveraging infrastructure development.

Policy

- Explicitly recognizes the key functions and their relationship to strengthening aboriginal economic development.
- Provides a framework for acquiring and allocating resources appropriate to enabling a strategic approach.

Program

- Clear targeting of criteria and resource application to key functions.
- Outcome definition relevant to functional program area.
- Defined progress measures inclusive of appropriate process, perceptual and footprint indicators.

Intermediary

- A strategic plan that is mission focused and contextually relevant (that is, defines development targets and priorities derived from a SWOT analysis) and which defines the intermediary role unambiguously in relation to key functions important to strengthening the aboriginal economic base.
- Defined partnerships and strategic networking activities relevant to linking the priority function(s) of the intermediary to other key economic development functions important to strengthening the economic base of aboriginal communities.
Successful CEDOs know what is going on in the local and regional economies through active research and intelligence-gathering activities. They use this knowledge to inform their strategic planning, particularly the formulation of their goals and priorities and their program planning. It is also a key function in the support of business opportunity identification and development. Lastly, they use it to ensure that their interests, and those of their members, are well represented wherever necessary in order to influence developments that affect their constituency.

Community/Base Constituency

- A strategic plan that is mission focused and contextually relevant (that is, defines development targets and priorities derived from a SWOT analysis) and which defines the community level organization(s) unambiguously in relation to key functions important to strengthening the aboriginal economic base.
- Defined partnerships and strategic networking activities relevant to specified development targets.
- Clear specification of priorities activities relevant to achieving development targets, including definition of both related intermediary and community level responsibilities and authorities.
- Defined progress measures inclusive of appropriate process, perceptual and footprint indicators.

A. Six Key Functions

1. Planning, Research Advocacy Capacity Relevant to Core Mission & Goals

Successful CEDOs know what is going on in the local and regional economies through active research and intelligence-gathering activities. They use this knowledge to inform their strategic planning, particularly the formulation of their goals and priorities and their program planning. It is also a key function in the support of business opportunity identification and development. Lastly, they use it to ensure that their interests, and those of their members, are well represented wherever necessary in order to influence developments that affect their constituency.

Policy

- Recognition of planning and research capacity as a key function at intermediary and community levels.
- Planning and research function exists and is active in assessing progress, including strengths and weakness of policy framework at as applied at different levels.
- Evidence of results based learning impacting ongoing policy development/adjustment process.
Full self-reliance assumes that a community is able to pay for the goods and services it consumes. There are two ways in which this goal can be addressed: by taxing the population and businesses of a community, or through the creation of wealth. Creating wealth requires successful community enterprises that generate a profit. This profit becomes what can be called equity or, put another way, community capital. The goal of building a sustainable economic base requires that this capital be managed as a scarce and precious resource.

2. Building Community Equity and Aboriginal Ownership of Economic Assets

First Nations and Inuit across Canada have an abiding interest in building an economic base that can move their communities and regions to a greater level of self-reliance.

Full self-reliance assumes that a community is able to pay for the goods and services it consumes. There are two ways in which this goal can be addressed: by taxing the population and businesses of a community, or through the creation of wealth. Creating wealth requires successful community enterprises that generate a profit. This profit becomes what can be called equity or, put another way, community capital. The goal of building a sustainable economic

Program

- Recognition of planning and research capacity as a key function at intermediary and community levels.
- Planning and research function exists and is active in assessing progress, including strengths and weakness of program framework at as applied at different levels.
- Evidence of results based learning impacting ongoing policy development/adjustment process.

Intermediary

- Recognition of planning and research capacity as a key function at intermediary and community levels.
- Planning and research function exists and is active in assessing progress, including strengths and weakness of intermediary performance in service delivery and facilitation of economic development at the community level.
- Evidence of results based learning impacting ongoing strategic planning and application of resources to development priorities.
- Evidence of level of consensus among leadership at board and staff levels re: mission, goals and priorities of the intermediary.

Community/Base Constituency

- Recognition of planning and research capacity as key.
- Planning and research function exists and is active in assessing progress, including strengths and weakness of CED organization(s) performance in addressing specified development priorities.
- Evidence of results based learning impacting ongoing strategic planning and application of resources to development priorities.
- Evidence of level of consensus among leadership at board and staff levels re: mission, goals and priorities of the relevant CED organizations.
base requires that this capital be managed as a scarce and precious resource. Its primary purpose (in communities committed to building greater self-reliance) is to be re-invested in further wealth-creating enterprises that continue the process of building the economic base. During this process, opportunities for employment, training, and small business development are also created.

Similarly, individually-owned businesses need equity to start or expand. The lack of equity is often a key constraint to building new businesses or expanding existing ones.

**Policy**

- Recognition of access to equity (risk capital available for business investment) as key function relevant to increasing aboriginal ownership and increasing community equity available for re-investment in building an economic base.
- Policy provision for addressing the equity gap that constrains increasing aboriginal ownership.
- Footprint indicators related to aboriginal business ownership and growth (# of businesses created, # of businesses expanded, gross sales, profit generation, availability business generated capital for re-investment, re-investment).

**Program**

- Objectives, methods and resources defined for improving access to equity (risk capital available for business investment) as key function relevant to increasing aboriginal ownership and increasing community equity available for re-investment in building an economic base.
- Footprint indicators related to aboriginal business ownership and growth (# of businesses created, # of businesses expanded, gross sales, profit generation, availability business generated capital for re-investment, re-investment).

**Intermediary**

- Objectives, methods and resources defined for improving access to equity (risk capital available for business investment) as key function relevant to increasing aboriginal ownership and increasing community equity available for re-investment in building an economic base within relevant communities/constituencies.
- Footprint indicators related to intermediary, community and individual aboriginal business ownership and growth (# of businesses created, # of businesses expanded, gross sales, profit generation, availability business generated capital for re-investment, re-investment).
The creation of wealth requires not just equity, but credit. Seldom does a community or an individual have sufficient equity or investment capital to pay all the costs of starting or operating a business. Without credit, businesses have a hard time getting started, a difficult time operating, and an almost impossible time expanding. Unfortunately, almost all banks are averse to risk. Communities that are struggling to strengthen a local economy must often create new credit initiatives, like Community Futures development corporations (CFDCs), revolving loan funds, Aboriginal Capital Corporations and micro-enterprise loan funds, to cite three examples. Government agencies also provide credit in some settings, although government has been generally ineffective as loan provider. Agencies such as Western Economic Diversification are increasingly partnering with other organizations (CFDCs, banks, credit unions) to take advantage of their capacity to deliver credit more efficiently and effectively.
Policy

- Recognition of accessible credit as key function relevant to increasing aboriginal ownership and building an economic base.
- Policy provision for enabling increased accessibility of credit where its absence constrains increasing aboriginal ownership.
- Footprint indicators related to the application of credit resources made available or facilitated through government resources, whether delivered directly or through intermediary or community level delivery (# of businesses created, # of businesses expanded, credit accessed from government supported access measures, credit leveraged from conventional credit resources, risk placement of government and/or intermediary credit within overall loan portfolio).

Program

- Recognition of role of credit as key function relevant to increasing aboriginal ownership and building an economic base.
- Definition of services and supports necessary to support effective credit provision.
- Defined partnerships through which delivery of publicly provided credit resources are focused.
- Footprint indicators related to the application of credit resources made available or facilitated through government resources, whether delivered directly or through intermediary or community level delivery (# of businesses created, # of businesses expanded, credit accessed from government supported access measures, credit leveraged from conventional credit resources, risk placement of government and/or intermediary credit within overall loan portfolio).

Intermediary

- If directly involved in credit provision, linkage of credit policy and targets to overall strategic plan.
- If not directly involved in credit provision, strategy for creation and/or supporting access to business credit.
- Definition and integration of strategic supports for entrepreneurial development (individual, community and regional) relevant to new business start-ups and expansions.
- Footprint indicators relevant to credit provision (# of businesses created, # of businesses expanded, credit accessed from government supported access measures, credit leveraged from conventional credit resources, risk placement of government and/or intermediary credit within overall loan portfolio).
Community/Constituency

- If directly involved in credit provision, linkage of credit policy and targets to overall strategic plan.
- If not directly involved in credit provision, strategy for creation and/or supporting access to business credit.
- Definition and integration of strategic supports for entrepreneurial development (individual, community and regional) relevant to new business start-ups and expansions.
- Footprint indicators relevant to credit provision (# of businesses created, # of businesses expanded, credit accessed from government supported access measures, credit leveraged from conventional credit resources, risk placement of government and/or intermediary credit within overall loan portfolio).

4. Strategic Approach to Human Resource Development

Without people willing, ready, and able to participate in the process of strengthening the community economy, real or potential opportunities are more likely to fail or to benefit outsiders instead of community members.

Successful CEDOs work at this agenda in several different ways.

- First, a strategy linking workforce preparation to opportunities is crucial to mobilizing the resources required to improve people’s readiness for employment and their knowledge and skills related to specific job opportunities. The same applies to new (and experienced) business people, if the potential for any particular enterprise is going to be realized. This can include a range of entrepreneurial development supports aimed at business start-ups and expansions.
- Second, on-going training and development of leadership at the community and CEDO levels are critical. CED requires continuous learning if the challenges of building self-reliance are to be effectively implemented over time. Leadership is key to sustaining the process for the long haul. For regionally-based CEDOs whose members come from several communities (as is often the case in rural and remote areas), this often means providing training and technical support to increase the capacity of individual communities to strengthen the local economy.
- Third, the CEDOs themselves must have access to on-going training and professional development at the board and staff levels.

Policy

- Recognition of human resource development as a key CED function relevant to sustaining and effectively managing the development effort over
time. Leadership and CED practitioner development is recognized as a key area of investment.

- Recognition of human resource development focused on preparing people to effectively participate in job opportunities as another dimension of CED that is of strategic importance.
- Coordinated policy frameworks for supporting human resource development relevant community economic development in the aboriginal setting.
- Provision for resources being available relevant to both CED leadership/practitioner development and opportunity appropriate work force preparation.

Program

- Recognition of human resource development as a key CED function relevant to sustaining and effectively managing the development effort over time. Program resources are available to support CED leadership and practitioner development as appropriate at all levels (policy, program, intermediary and community).
- Recognition of human resource development focused on preparing people to effectively participate in job opportunities as another dimension of CED that is of strategic importance. Program resources are coordinated and focused to enable their provision to intermediaries and communities for application to strategic priorities and economic opportunities.
- Footprint indicators related to employment preparation, training starts and completions and job placement and retention.
- Competency based assessments focused on determining CED practitioner attitudes and knowledge and skill levels are applied systematically and used to plan program investments and partnership development/management with institutions and organizations involved in CED education and training.

Intermediary

- Recognition of human resource development as a key function at intermediary and community levels.
- Integration of human resource development planning into the strategic plan as appropriate to the function(s) being undertaken by the intermediary.
- Definition of relationships and partnerships, both internal and external to the intermediary, that are strategically linked to implementing human resource development priorities.
- Process and perceptual indicators focused on determining success in mobilizing partnerships and resources into defined human resource development priorities, strategies and outcome targets.
- Footprint indicators related to employment preparation, training starts and completions and job placement and retention.
Evidence of mobilizing training resources targeted at building the capacity of board, staff and key stakeholders relevant to the strengthening CED strategy implementation.

Competency based assessments focused on determining CED practitioner attitudes and knowledge and skill levels are applied systematically and used to plan program investments and partnership development/management with institutions and organizations involved in CED education and training within the geographic area and defined communities/constituencies.

Community/Constituency

- Recognition of human resource development as a key function.
- Integration of human resource development into the CED strategic plan.
- Definition of relationships and partnerships, both internal and external, that are strategically linked to implementing human resource development priorities.
- Process and perceptual indicators focused on determining success in mobilizing partnerships and resources into defined human resource development priorities, strategies and outcome targets.
- Footprint indicators related to employment preparation, training starts and completions and job placement and retention.
- Evidence of mobilizing training resources targeted at building the capacity of Council, board(s), staff and key stakeholders relevant to the strengthening CED strategy implementation.
- Competency based assessments focused on determining CED practitioner attitudes, knowledge and skill levels are applied systematically and used to plan program investments and partnership development/management with institutions and organizations involved in provision of CED education and training.

5. Strategic Networking & Partnership Development

Successful CEDOs undertake strategic networking, partnerships, and alliances in order to gain a capacity to influence local or regional economic activity in the interests of the CEDO’s constituency. The key word here is “strategic.” A lot of so-called “networking” is mere busy-work that nets a drain on an organization's energy, rather than a gain.

Strategic networking and partnership building is focused on extending the reach and capacity of the organization to create opportunities to address any of the key functions outlined above. With respect to equity, for example, a strategic partnership could mean take the form of a joint venture that secures the CEDO an important role in a key economic sector. With respect to credit, it could be creating a partnership with a public or private sector institution that
Successful CEDOs undertake strategic networking, partnerships, and alliances in order to gain a capacity to influence local or regional economic activity in the interests of the CEDO’s constituency. The key word here is “strategic.” A lot of so-called "networking" is mere busy-work that nets a drain on an organization's energy, rather than a gain. Strategic networking and partnership building is focused on extending the reach and capacity of the organization to create opportunities to address any of the six key functions.

Policy

- Strategic Networking and Partnership Building is recognized as an important function aimed at extending the capacity of aboriginal communities to access, mobilize and focus resources necessary for their development.
- Provisions for supporting this function are embedded in policy.
- Strategic networking and partnership building aimed at providing a strategic policy framework among key stakeholders is a feature of ongoing policy development and policy implementation.

Program

- Strategic Networking and Partnership Building is recognized as an important function aimed at extending the capacity of aboriginal communities to access, mobilize and focus resources necessary for their development.
- Provisions for supporting this function are embedded in the design of programs.
- Strategic networking and partnership building is supported through program resources at community and regional levels, and within key networks associated with improving the capacity and opportunity structure for aboriginal development.

Intermediary

- Strategic Networking and Partnership Building is recognized as an important function aimed at extending the capacity of the intermediary to broker, facilitate and mobilize development resources to meet strategic priorities.
- This function and the specific targets for its implementation are identified and linked to strategic priorities.

Community

- Strategic Networking and Partnership Building is recognized as an important function aimed at extending the capacity of the intermediary to broker, facilitate and mobilize development resources to meet strategic priorities.
This function and the specific targets for its implementation are identified and linked to strategic priorities

6. Advocacy of & Leveraging of Infrastructure Investments to Strengthen Community Economies

Infrastructure is not normally the direct focus of CEDO activity. The costs of infrastructure development are usually beyond a CEDO's capacity, and usually fall to larger public and/or private sector institutions. Nevertheless, there may be instances in which infrastructure development becomes a strategic priority for CEDOs.

For example, where infrastructure is going to be developed for a major resource development or for community infrastructure development and housing, CEDOs will endeavour to maximize business and employment benefits and minimize the risks to their constituents. Where a lack of infrastructure constrains the development of the local or regional economy, advocating for investment in certain kinds of infrastructure may become a key task (for example, securing road or internet access to a community).

Policy

- Public and private investments in infrastructure, on and off reserve, are recognized as potentially important aboriginal economic development opportunities.
- There is policy support for systematically identifying opportunities that may arise out of public investments and making them known to aboriginal development interests.
- There is policy support for linking aboriginal, private and public sector interests into joint ventures and partnerships that leverage aboriginal participation in infrastructure investments.

Program

- Public and private investments in infrastructure, on and off reserve, are recognized as potentially important aboriginal economic development opportunities.
- There are program resources to support systematically identifying opportunities that may arise out of public investments and making them known to aboriginal development interests.
- There are program resources that support linking aboriginal, private and public sector interests into joint ventures and partnerships that leverage aboriginal participation in infrastructure investments.

The costs of infrastructure development are usually beyond a CEDO's capacity, and usually fall to larger public and/or private sector institutions. Nevertheless, ... where a lack of infrastructure constrains the development of the local or regional economy, advocating for investment in certain kinds of infrastructure may become a key task
Intermediary

- Public and private investments in infrastructure, on and off reserve, are recognized as potentially important aboriginal economic development opportunities
- The intermediary systematically tracks infrastructure investments, on and off reserve, and organizes and supports the interests of its constituents to take advantage of identified opportunities wherever possible.
- The intermediary actively links aboriginal, private and public sector interests into joint ventures and partnerships that leverage aboriginal participation in infrastructure investments, on and off reserve.

Community/Constituency

- Public and private investments in infrastructure, on and off reserve, are recognized as potentially important community economic development opportunities
- The community, directly or through related organizations, tracks infrastructure investments, on and off reserve, and participates in efforts, appropriate to their priorities, to create joint ventures and partnerships that leverage aboriginal participation in infrastructure investments, on and off reserve.

II CLEAR GOVERNANCE & ACCOUNTABILITY FRAMEWORK

Effective governance and accountability requires a strategic vision, a clear mission, contextually relevant priorities expressed as goals, an articulation of specific goal related outcomes, measures capable of measuring progress over time and a system of reporting progress that contributes to learning and to effective decision making.

At the policy and program level the presence of these characteristics and the quality of their articulation are the critical assessments to be made. Do they exist? Secondarily, are the policy and program levels coherent in relation to each other? Lastly, the extent to which there is effective horizontal planning and coordination of efforts between various government agencies involved in economic and social development will impact efforts at the intermediary and community level.

At the intermediary and community levels the key focus for assessment will be the presence of, and the overall quality of the strategic plan. Equally important is the evidence of its implementation over time, adjusted as required by changes in the context and by the learning derived from evaluation of impacts informed by measurement of progress.

Effective governance and accountability requires a strategic vision, a clear mission, contextually relevant priorities expressed as goals, an articulation of specific goal related outcomes, measures capable of measuring progress over time and a system of reporting progress that contributes to learning and to effective decision making.
III. DEGREE & NATURE OF COMMUNITY PARTICIPATION PATTERNS

Participation of citizens appropriate the development task is central to informing each level at the formative and implementation stages. Without participation, each level is handicapped in two ways: first, there is likely inadequate knowledge being brought to bear on decision making; second, there is much less likelihood of achieving a sufficient level of attachment to the outcomes being sought, the absence of which handicaps the mobilization and implementation of effort required to achieve durable results.

At the policy and program levels, assessment of the participation of First Nations development practitioners and leaders from various contexts and levels of capacity will yield a reading of whether the constituents for policy and program development are adequately engaged. Have they been involved in helping set the strategic vision, mission, goals, measures and reporting systems? Are they involved in making adjustments as learning is accumulated over time?

At the intermediary and community levels, the regularity and consistency of engagement of constituents in formulating a strategic vision, mission, goals, measures and reports systems is also an important gauge. Moreover, involvement in the actual implementation of strategic plans, appropriate to the level of action being taken, will provide evidence useful to evaluating this aspect of best practice.

IV. COMPETENT USE OF AND LEVERAGE OF TECHNICAL ASSISTANCE & OTHER EXTERNAL RESOURCES

The strategic leverage of outside resources to augment the implementation of strategic priorities is significantly important. Generally speaking, marshalling resources from within is insufficient in development contexts that are by definition, struggling to address the multiple challenges of addressing economic and social marginalization. Typically, resources of many kinds are in short supply. Similarly, policy makers and program managers are often handicapped by insufficient understanding and experience on the ground with respect what it takes to sustain a positive development process over time. Systematic organization of relationships that can assist each level develop their capacity to be more effective is an important task. Most critical, is to for each level to have access to technical and learning resources that are rooted in best practice, people and organizations have been part of achieving positive change and who understand the challenges and opportunities inherent in forming and implementing CED approaches.
At the policy and program level, technical assistance resources, both from the aboriginal community and more generally, community economic development, that have demonstrable applied knowledge and skills in achieving solid results, are part of an ongoing process of strategic review of policy and program design, practices and results. Moreover, there are networks (for example, CANDO and the Canadian CED Network) that are systematically thinking about how what works can be scaled up and what policy and program supports need to be in place to effectively condition the application of resources at the intermediary and community level to become more effective.

At the intermediary and community level, what is the evidence of leveraging the resources necessary to help establish and implement strategic priorities? Moreover, is the use of outside resources consciously planned and utilized in such a way as it contributes to strengthening the capacity of intermediary and community level organizations.

V. STRENGTH OF OUTCOME ORIENTATION EVIDENT IN IMPLEMENTATION OF FUNCTIONS, PROGRAMS & TOOLS

The degree to which development outcomes are specific and clearly articulated will impact the effectiveness of implementation at all levels. Calling for clear outcome definition in and of itself requires a level of analysis and reflection that implies learning, dialogue and careful consideration of the context that development action is supposed to help change. Moreover, clarity of outcome definition contributes to a number of other key features of “best practice”. For example, clear outcomes become the cornerstone of productive, focused partnerships and assist in leveraging of external resources. They also provide a more transparent basis for governance and accountability. The results, whatever they may be, are more easily learned from when the outcomes being targeted are clearly stated. Also of note, clear outcomes, when coupled with a broad understanding of what is being targeted for achievement among participants at various levels, can contribute to the stability of the development effort. Achieving results is not a short time exercise. Political stability and appropriate allocation of resources over time are pre-requisites to achieving durable results. Attachment to clear outcomes can have considerable impact on maintaining the development effort over time, reducing the vulnerability of the process to unexpected changes in the environment.

At the policy level, the outcomes defined must include developmental as well as functional categories. Program design and management must similarly take both into account. Without an adequately framed understanding of the
importance of the starting point within any particular locality, it is not possible
to condition the allocation of development resources in a manner that is
appropriately geared to the context within which development action is
undertaken.

At the intermediary and community levels, the strength of outcome definition
within the strategic and operational plans will have laudatory impacts. Even in
the absence of plans being in place, but where the local leadership has decided
on one or two priorities that they believe are crucial to addressing serious
problems, for example, the need to help people take more responsibility for
their own personal management and growth as a pre-requisite to thinking
about economic development, may be sufficient in so far as it is translated into
a defined initiative (for example, 20 people participating in a life skills
program that focuses on personal growth and pre-employment readiness, or 4
community meetings focused on building a basic vision)

At any one of the four levels, the important of getting beyond “bean counting”
inputs and outputs is a central objective. Getting people thinking about and
trying to track how their investment is contributing to building the skills,
attitudes, capacity and resources necessary to become more self-reliance is a
critical task.

VI. LEADERSHIP WITH SOCIAL ENTREPRENEURIAL QUALITIES

There are few successful development efforts that are not led by one or more
people whose values, knowledge, skills and drive necessary sustain and weave
together the efforts necessary to overcome the daunting challenges many
communities face. If there is not such leadership present, then its cultivation is
a critical pre-requisite, at both the governance and “practitioner” levels. The
latter category refers to the economic development officer and/or the
management of the development organization and is particularly important.
Leadership acting at the governance level typically has multiple demands on
its time, and, even where it possesses social entrepreneurial qualities, often
comes up short on available time. Thus, having available a quality CED
person resource can be crucial to making progress. Technical skills, while
important, are insufficient to meet the challenges of declining and depleted
communities. Clear values committed to social and economic justice and a
capacity for thinking and organizing strategically are the foundations for
creating durable CED practitioners.

At the policy level, outcomes should include a commitment to leadership
development at the board level of CEDOs, political leadership, and most
important, the development of quality EDO’s. It should also support the
development of standards and the related investments involved in them being realized through strategic partnerships that can build the kind of leadership referred to above. Systematic and regular investment in professional development at every level is necessary but the on the ground capacity is the most critical. At the program level the partnerships necessary to systematically invest in leadership development should be put in place, managed and tracked to assess the standards and results achieved in practitioner development.

At the intermediary and community level, investments in professional and board development need to be tracked and their impacts over time monitored to determine impacts of development practitioners. Networking of EDO’s should be implemented as part of a leadership development strategy.
APPENDIX 2: RESEARCH ON ABORIGINAL INDICATORS

The basic parameters of the search were defined as “researching the application of indicators to community economic development in Aboriginal settings”. The criteria of the search was to locate material relevant to aboriginal indicators, with a focus on discussions, papers, policy frameworks and applications that try to think through the relationship between policy, programs, aboriginal development organizations and communities. This was quite a broad search, which did not yield many results.

Searches were done using keywords such as: Aboriginal/First Nations/American Indian/Native and Indicators/Benchmarks/community economic development/sustainable development. The search covered any sites related to the Canadian and American First Nations. There seemed to be a little more yield in the States and the majority of those sites were research centers coming out of the American universities. Various search engines were used, Google being the best due to the ability to cross-reference to focus the search. The database of Royal Roads University was also used and within that database all relevant journals were searched. It is my conclusion that the area of aboriginal indicators is only now being explored and the available information is sparse.

For future reference, one of the most helpful sites was http://www.bloorstreet.com/300block/aborcan.htm. This site, put together by a Canadian lawyer, has extensive links to several Canadian and US aboriginal websites. Two others, which had done a lot of research and focused on American Indians were Udall Center for Studies in Public Policy (http://udallcenter.arizona.edu/) and the Harvard University Native American Program (http://gseweb.harvard.edu/~nap/research.html).

Several books found on the website of the International Institute for Sustainable Development (www.iisd.org) could be of use.


Abstract: Survey identifying recent Canadian work on defining sustainable development related indicators (federal, provincial/territorial, municipal and multilateral initiatives, and initiatives of academic institutions, business and professional organizations, non-governmental organizations, and international organizations in Canada).

Contents: (Selected): Model initiatives on the provincial/state level; Alberta's sustainable development indicators; Oregon benchmarks; Choices for Colorado's future; The sustainable Seattle; Life in Jacksonville: quality indicators for progress; Common weaknesses of the presented models; Suggestions for indicator selection methodology and application.

Abstract: Identifies operative models presenting measurable dimensions of social, economic and biophysical conditions at the state, provincial, and municipal levels.


Contents: I - Introduction; II - Community participation; III - Administration and training; IV - Forest land management plan; V - Inventories and mapping; VI - Forest protection; VII - Access (roads, trails, waterways and air); VIII - Water and soil; IX - Protected or special management areas; X - Fire protection; XI - Biodiversity; XII - Insect and disease protection; XIII - Forest values; XIV - Fish and wildlife; XV - Non-timber vegetation; XVI - Range; XVII - Recreation and landscape; XVIII - Timber harvest and renewal.

Abstract: These guidelines are a tool developed by NAFA to help plan and carry out activities on forestlands used by Aboriginal peoples. The Guidelines describe those things that should be considered when planning and carrying out forest uses, including harvesting and renewing stands of timber, fish and wildlife management, range management, gathering, recreation and other forest-related activities such as spiritual ceremonies. These Guidelines aim to outline a high standard of care for Aboriginal forest lands by describing ways for a community to: minimize the negative impact of human disturbances such as logging, cattle grazing, hunting and trapping, recreation and other uses, and renew and protect vegetation, wildlife, soil, water, spiritual, cultural, wilderness and other forest values. These guidelines are not a rigid set of standards. They are intended to provide a framework for Aboriginal communities to develop their own forestland management plans.
American Indian Institute, University of Oklahoma
(http://www.occe.ou.edu/aii/).

The Native American Research Information Service (NARIS) is a computerized database containing complete bibliographic information and research abstracts related to Native American economic, natural resource and human resource development. Designed to efficiently access specific information, NARIS provides a product tailored to meet the needs and interests of its individual service users. For some reason I was unable to access NARIS but this could be of interest.

The AIHSQIC is the primary training and technical assistance provider for 177 American Indian and Alaska Native Head Start and Early Head Start programs located in 26 states. The AIHSQIC is part of a regionally-based system that provides comprehensive services designed to promote excellence by emphasizing quality program improvement, local capacity building and ongoing evaluation. Funded by the U.S. Department of Health and Human Services, Administration for Children and Families, Head Start Bureau, American Indian Programs Branch.

American Indian Policy Center (http://www.airpi.org/index.html)
This report prepared for the American Research and Policy Institute by the Urban Coalition Census Project measures poverty among American Indians in Minnesota. Appendixes also include information on infant mortality and adolescent suicide risk.

Harvard University Native American Program
(http://gseweb.harvard.edu/~nap/research.html)
The core of research activities currently resides at the Harvard Project on American Indian Economic Development (HPAIED). The Harvard Project's well-known field-based research in Indian Country consistently finds that the effective exercise of sovereignty, combined with capable and culturally grounded institutions of self-government, are indispensable keys to successful, long-term development of Native communities. The concrete dimensions of "cultural match" – finding governing and other institutional structures that are consonant with individual Native nations’ cultural standards of legitimacy and feasibility – form the heart of the challenge of nation building in Indian Country and beyond.

The following HPAIED publications available in pdf (http://www.ksg.harvard.edu/hpaied/publ.htm) may be relevant:

Cornell, Stephen and Joseph P. Kalt
**Reloading the Dice: Improving the Chances for Economic Development on American Indian Reservations**

Cornell, Stephen and Joseph P. Kalt
**Sovereignty and Nation-Building: The Development Challenges in Indian Country Today**

Kalt, Joseph P.
**Policy Foundations for the Future of Nation Building in Indian Country**

Lemont, Eric
**Developing Effective Processes of American Indian Constitutional and Governmental Reform: Lessons from Cherokee Nation of Oklahoma, Hualapai Nation, Navajo Nation and Northern Cheyenne Tribe**

**Udall Center for Studies in Public Policy** (http://udallcenter.arizona.edu/)

Established in 1987, the Udall Center for Studies in Public Policy sponsors policy-relevant, interdisciplinary research and forums that link scholarship and education with decision-making. The Center specializes in issues concerning American Indian governance and economic development; environment, natural resources, and public lands; the U.S.-Mexico border, and related topics. Note also the following Udall publication:

Brown, Eddie F. (Director of Kathryn M. Buder Center for American Indian Studies), Stephen Cornell, Miriam Jorgensen *et al.*
**Welfare, Work, and American Indians: The Impact of Welfare Reform**
The Native Nations Institute for Leadership, Management and Policy
(http://udallcenter.arizona.edu/nativenations/nni_partners.htm)

The Udall report "Arizona Intertribal and Postsecondary Institutional Networking: A Model for American Indian Higher Education" develops a Native-American led initiative to guide the inclusive and participatory development of a statewide policy that will integrate academic experience with tribal realities. The purpose of the project is to increase Native American student postsecondary success while facilitating community research and development capacity. The Arizona Tri-University for Indian Education, a university-based consortium, will partner with two tribal colleges and a community based organization, the Education Working Group of the Intertribal Council of Arizona, to develop and implement a curriculum model that integrates tribal culture with academic majors. Contact: Octaviana Trujillo, Arizona State University, Tempe, AZ 85287-1311; 480-965-6292, yaqui@asu.edu

A paper on the public policy context for sustainability and sustainable development that explores the themes of sustainability. It does not refer to indicators but talks about an evaluation scheme regarding effective policy. (http://ag.arizona.edu/~lmilich/susdev.html)

Using Health Indicators to Assess Aboriginal Health in Manitoba
(http://itch.uvic.ca/itch96/papers/green.htm). The use of standardized health indicators in the planning and evaluation of community based health care services has gained increasing attention and interest over the past decade. The implementation of the health indicators approach, however, has a number of significant challenges associated with it. These challenges include: 1.) accessing the unaggregated community level data required to construct local indicators; 2.) presenting the indicator data in a manner that is comprehensible and relevant to community members 3.) tying the indicators together with a meaningful and culturally relevant conceptual framework which provides an explanation of how health happens (or doesn't happen) 4.) negotiating the varied and diverse "meanings" that the indicators may have for community members 5.) articulating the implications the indicators have for the planning, implementation and evaluation of community based health programs.

This paper describes the implementation of the Health Indicator approach in Manitoba by the Health Planning and Evaluation Unit, Medical Services Branch. The paper outlines the major data sources accessed, the technical systems built to access, store and analyze health data used in the construction of the indicators, a conceptual framework used to organize the health indicators into a meaningful whole, data presentation and interpretation
strategies, a description of the health indicators developed to date and an overview of the feedback received from First Nation Communities and organizations.

**Socio-Economic Indicators In Indian Reserves And Comparable Communities, 1971-1991.**

This report is the result of a study, which adjusts for the effects of geographical location and community size by comparing reserves to other Canadian communities, which exist in a similar spatial milieu. The methodology used in this study has, in some instances, explained a proportion of the observed gap between socio-economic indicators found on reserve and those for the total Canadian population. Departmental Statistics Section, Information Quality and Research Directorate, Information Management Branch, Department of Indian Affairs and Northern Development, 1997

**Canadian Model Forest Network Canada's Model Forest Program** ([http://www.modelforest.net/e/home /enhancee.html](http://www.modelforest.net/e/home /enhancee.html)) offers opportunities for Aboriginal communities to participate in sustainable forest management decision-making. These opportunities are provided through three main mechanisms: the model forest partnership; an Enhanced Aboriginal Involvement Strategic Initiative; and an Aboriginal led model forest, Waswanipi Cree Model Forest ([http://www.modelforest.net/download/fact_sheets/wcmf_eng.pdf](http://www.modelforest.net/download/fact_sheets/wcmf_eng.pdf)).

**Criteria and Indicators of Sustainable Forest Practices in Canada** ([http://www.nrcan.gc.ca/scf/proj/ppiab/ci/cr6p_e.html](http://www.nrcan.gc.ca/scf/proj/ppiab/ci/cr6p_e.html))

Criterion 6 encompasses a number of key elements of sustainable forest management: recognition of Aboriginal and treaty rights, the role of Aboriginal communities in sustainable forestry, the sustainability of forest communities, as well as fair, effective and informed decision making.
APPENDIX 3: SELECTIONS SUMMARIZING THE DEVELOPMENT WHEEL

APPENDIX 3: SELECTIONS SUMMARIZING THE DEVELOPMENT WHEEL

The experience of CED practitioners in a wide range of minority and depressed communities in North America has given rise to the Development Wheel. The Wheel is an analytical tool. **It can help you figure out where your CBO is in the development process. It can help you set priorities for planning and action. It can also serve as a guide to the ongoing CED planning and implementation process.**

The Development Wheel comes from a perspective on economic development that believes that the major focus in economic development must not be on business development but on building the institutions—the organizational capacity—to DO business development which builds greater community self-reliance. As Bill Hatton (General Manager of the Kitsaki Development Corporation, Saskatchewan) says, “If business development is the wrench then economic development is the machine which makes the wrench.”

The CED perspective believes that the path to greater self-reliance must involve a process that empowers people and builds organizational capacity.
As you read the material, you will notice that there are four phases to the CED planning process:

**PHASE ONE: Preliminary Data Collection & Preparation for CED Planning**

**PHASE TWO: Building the Base for CED**

**PHASE THREE: Focusing the Opportunities**

**PHASE FOUR: Detailed Planning & Mobilizing Resources**

It may be helpful at the outset for the reader to refer to the chart on page 12, which shows how each component of the Development Wheel fits within a systematic, phased approach to CED planning.
1. Organizational Prerequisites for Effective CED Planning

**PHASE ONE: Preliminary Data Collection & Preparation for CED Planning**

To plan and implement CED effectively, there are several organizational prerequisites. Where they are not present they will constrain the ability of a First Nation to engage effectively in economic development and, more often than not, if not addressed, will lead to costly failures. Basic organizational prerequisites include:

- A record of stability and effectiveness in the First Nation’s government as a decision-making body and some demonstration of capacity to implement decisions.
- Basic financial systems capable of managing budgets and producing the necessary reports and financial statements needed for decision-makers.
- The presence of basic planning and development skills and the provision of the time and resources necessary to support the planning process.
- First Nation decision-makers willing to set aside sufficient time to become familiar with development issues and to acquire the skills needed to resolve them. Willingness to attend meetings and training sessions.
- The commitment of First Nation decision-makers to integrate planning with the decision-making process.
- A willingness to allow the necessary time for economic development efforts to mature and produce results.
- A willingness to consider using outside businesses and financial resources within the scope of the First Nation’s economic development strategy.
- A willingness to invest in the long-term development of First Nation business management and entrepreneurial skills, if such experience and skills are not currently available among the membership.
- A willingness and ability to remain continuously involved in the development, support, and regulation of the First Nation’s economic development.

Some of these resources may well not be in place at the very outset of planning. **The key question is: what resources are available to the community, and under what terms, in order that it may address these gaps?**
2. Pre-Planning for Economic Development

**PHASE ONE: Preliminary Data Collection & Preparation for CED**

Pre-Planning for Economic Development requires the First Nation to consider (1) the relationship of economic development to First Nation goals and desired quality of life (in effect, a basic philosophy of economic development), (2) how to proceed with economic development planning, and (3) the gathering of basic information needed for planning within a CED framework. It includes the following types of activity:

- Consideration of basic issues regarding the relationship between the traditional economy and the newer ways of earning a living.

- Preliminary examination of issues related to who should be in charge of economic development.

- The formulation of general statements about the relationship of economic development to First Nation goals and desired quality of life.

- Formulation of suggestions as to the role the First Nation government might play in economic development.

- Development of an economic development planning strategy, including work plans and clarification of who is going to take on what functions, how the First Nation decision-makers will consider the products of the planning process, and definition of a general planning time frame.

- Assessment of natural resources and preliminary identification of opportunities that link to the First Nation’s natural resource base.

- Analysis of the First Nation’s human resources.

- An overview of the First Nation’s CED strategy options.

The community discussion required under this component presents a golden opportunity to broaden First Nation members’ involvement in CED. Their support and participation will be encouraged by discussions which focus on the membership’s philosophy of economic development, the direction it should take, and the role which the First Nation government should play in it.

This level of planning is an important means by which a basic consensus can be forged. It provides opportunities to broaden constituency participation, to raise issues, and to clarify values. It helps define the parameters of what is possible in the short and long term. It identifies, from a strategic vantage point, what sectors of opportunity are most promising and begins to define the constraints and challenges that will have to be addressed in developing the human resource base. In short, it provides the overview needed to make decisions that foster an economic development process that can work for the community as a whole.
3. Organizational Development

This component is often given little attention in economic development. The small business perspective that dominates many economic development programs often neglects to foster and manage a development environment capable of supporting small businesses. There are several components of organizational development within the First Nation’s economic development process. They include:

**PHASE TWO: Building the Base for CED**

- Introductory training in the economic development planning process for the First Nation members, board, councillors, and key staff.
- Assessment of current organizational resources for economic development: management capacity and systems, financial policies and procedures, short-and long-term organizational goals, First Nation government priorities, allocation of money, staff, space, other resources.
- Completion of a work plan to govern economic development planning and integrate it with the broader work load of staff and board. This work plan will define and allocate staff, time, and money for the planning process, including the personnel responsible for its day-to-day management, and any technical assistance the First Nation may require.
- Establishment of a system to monitor the First Nation’s economic development planning process.
- Formulation of community economic development policy, including the definition of mission, goals, roles of the First Nation’s government in the development process, and venture selection criteria.
- Formulation of an organizational development plan. This plan may include: board and staff training; a study of organizational structures; what work needs to be done, by whom, and at what cost; and a definition of technical assistance requirements.

**PHASE THREE: Focusing the Opportunities**

- Planning structural changes in order to accommodate venture development: decision-making procedures, management selection criteria, and the separation of political and managerial authority.
- Training the First Nation’s board/Council in evaluation of feasibility studies.

**PHASE FOUR: Detailed Planning & Mobilizing Resources**

- Training personnel in development and evaluation of business plans, financial packaging, the monitoring of ventures, and management recruitment.
- Establishing the legal structures of ventures selected for implementation.
- Selection of venture manager and staff.
- Establishment of venture monitoring system and evaluation of ventures within overall economic strategy.

Westcoast Series on CED
4. Venture Development

Venture development refers to the process by which the First Nation progressively identifies and decides which businesses are to be the focus of its planning effort. The component comprises several steps which together constitute a systematic decision-making process. They are:

**PHASE TWO: Building the Base for CED**
- Completion of a work plan which defines time, staff, resources, procedure, and (if necessary) technical assistance to engage in the venture development process effectively.
- Analysis of community cash flow: how money flows into the community and where it leaks out.
- Research into venture opportunities available locally.
- Initial selection of venture options based on venture selection criteria (the First Cut).
- Pre-feasibility study of venture options designated by First Cut selection.
- Second Cut selection of the 2-3 most promising ventures, based on results of pre-feasibility analysis of venture options.
- Preliminary development of financial and business support for ventures from public and private sectors and First Nation membership.

**PHASE THREE: Focusing the Opportunities**
- Feasibility studies on two or three options which focus on the product, market, competition, organization, management and potential support from First Nation membership and the public and private sectors.
- Selection of one or more ventures for which a detailed business plan will be completed and submitted to possible sources of financing.

**PHASE FOUR: Detailed Planning & Mobilizing Resources**
- Business plan preparation for selected venture(s).
- Identification of possible sources of financing.
- Securing financing.
- Planning and preparation for start-up.
- Venture start-up.
5. Community Participation and Strategic Networking

This component is concerned with developing First Nation member support and participation in the planning process and establishing a network of relationships in the public and private sectors that can be brought to bear in support of First Nation economic development. Some aspects of this component are closely linked to the pre-planning process (p. 6), particularly the points relating to community participation.

**PHASE TWO: Building the Base for CED**

- Formulation of a strategy which will engage First Nation members in the CED planning process, especially at the pre-planning level. This would include meetings and discussions about
  - the CED planning process as a whole
  - overall development strategies
  - the roles which individuals, families, and the First Nation’s government should play in economic development
- Community meetings and discussions to solicit ideas for ventures.
- Building relationships with key people and agencies in the public and private sectors to secure support for CED.
- Development of knowledge and skills in tapping diverse sources of funding for CED.
- Community meetings to review and approve key policies concerning the First Nation’s mission, goals, strategies, roles in economic development, and venture selection criteria.
- Development of a communication strategy to keep membership and other key players informed about planning and implementation (e.g., meetings and newsletters to explain the results of the venture selection process).

**PHASE THREE: Focusing the Opportunities**

- Outreach to the First Nation membership and others about specific ventures. This process also serves to test and develop support for ideas, and identify possible partners for each venture.
- Development of a technical advisory committee for the First Nation.

**PHASE FOUR: Detailed Planning & Mobilizing Resources**

- Meetings with the First Nation membership and key public and private sector interests to mobilize full-scale support for selected ventures.

To meet these needs in a systematic manner and on an ongoing basis, core financial support for community-based management and co-ordination of the development process is often required.

Westcoast Series on CED
6. Provision of Appropriate Technical Assistance

Technical assistance refers to the accessibility and quality of outside resources (e.g., consultants, advisors, trainers) that can be utilized to assist the First Nation’s economic development process. Key points in the process where technical assistance is often crucial are listed below.

**PHASE TWO: Building the Base for CED**

- Introductory training in economic development planning.
- Assessment of the First Nation’s organizational capacity and basic management systems.
- Assistance in work planning for economic development and integration of development planning into the First Nation’s overall government functions and/or development corporation.
- Assistance in establishing key policies such as goals, roles of the First Nation’s government, mandating of First Nation economic development organizations, venture selection criteria, etc.
- Technical advice on first and second stage venture selection cuts.

**PHASE THREE: Focusing the Opportunities**

- Feasibility studies.
- Organizational development planning for venture development and implementation.
- Training re: feasibility studies, business plans and monitoring the planning and the venture implementation process.

**PHASE FOUR: Detailed Planning & Mobilizing Resources**

- Business planning.
- Financial packaging.
- Legal issues.
- Establishment of monitoring systems and training in their operation, maintenance, and use in venture related decision-making.
- Post start-up for trouble-shooting and problem-solving purposes.

In instances where First Nations do not have any significant experience in economic development, the absence of technical assistance can be a serious obstacle to success. Similarly, technical assistance may be crucial when entrepreneurs have an idea, but lack the training or experience to do the analysis and planning which will translate a concept into a reality. Key to assessing the appropriateness of technical assistance is whether it is structured to transfer skills to the person or First Nation concerned. An example of inappropriate technical assistance is where an outside agent does most of the work without the client being directly engaged in the research and planning tasks associated with economic and/or venture development.
The six components of the Development Wheel each contribute to the ability and willingness of community members to initiate projects, programs, and businesses, to organize these ventures, and to keep them running. Over time, the community accumulates an ever greater pool of leaders and followers with organizational talent, as well as hard skills. Persons who

- know how to divide up responsibilities
- work smoothly with one another and outsiders
- make good decisions rapidly, carry them out efficiently, and monitor them afterwards.

This body of talent, skill, and experience is known as a community’s organizational capacity. It is at once the key product, and the driving force behind the community’s economic development.
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<tr>
<th>PHASE 1</th>
<th>Preliminary Data Collection &amp; Preparing for CED</th>
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<td><strong>Organizational Prerequisites</strong></td>
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<tr>
<td>A. Assessment: does the CBO* meet organizational prerequisites?</td>
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<td><strong>Pre-Planning</strong></td>
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<td>A. Inventories of Community Resources:</td>
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<td>• natural resources</td>
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<td>• human resources</td>
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<td>• physical resources</td>
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<td>• assessment of community norms &amp; dynamics</td>
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<td>B. Community participation:</td>
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<tr>
<td>• community goals, relationship to economic development</td>
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<td>• preliminary consideration of roles related to economic development (viz. is the CBO a potential owner in the place of individual ownership?)</td>
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<td>C. Decision as to whether or not to proceed with economic development</td>
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<th>PHASE 2</th>
<th>Building the Base for CED</th>
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<td><strong>Organizational Development</strong></td>
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<td>A. CBO Board &amp; Staff training: introduction to CED planning</td>
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<td>B. CED Workplan (Who, How, When)</td>
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<td>C. Management systems analysis</td>
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<td>D. Organizational development plan to prepare for CED planning &amp; implementation</td>
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<td>E. Policy-making: mission, goals, CBO roles, venture selection criteria</td>
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<th>PHASE 3</th>
<th>Focusing the Opportunities</th>
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<td><strong>Community Participation &amp; Strategic Networking</strong></td>
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<td>A. Community meetings:</td>
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<td>• venture opportunity identification</td>
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<td>• planning process</td>
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<td>• policies</td>
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<td>B. Initial networking with external agencies &amp; private sector</td>
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<td>C. Initiation of community communication strategy</td>
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<th>PHASE 4</th>
<th>Detailed Planning &amp; Mobilizing Resources</th>
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<td><strong>Pre-Planning Basics Community Economic Development Planning</strong></td>
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<tr>
<td>A. Implementation of organizational development plan for CED transition: adaptation of structures</td>
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<td>B. Organizational planning to accommodate ventures</td>
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<td>C. Staff &amp; Board training: venture management structures, feasibility studies</td>
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<td>D. Identification of venture management requirements</td>
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<th>PHASE 4</th>
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<tr>
<td>A. Board training: financial packaging, business planning</td>
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<td>B. Establishment of legal structures for venture(s)</td>
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<td>C. Selection of venture management</td>
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<td>D. Establishment of venture monitoring system</td>
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<td>A. Business planning</td>
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<td>B. Financial packaging</td>
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<td>C. Preparation for venture start-up</td>
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<td>D. Venture operation &amp; monitoring</td>
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<th>Detailed Planning &amp; Mobilizing Resources</th>
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<tr>
<td>A. Mobilization of internal &amp; external networks in support of priority venture(s)</td>
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Identify & Plan how TECHNICAL ASSISTANCE is to be used in each phase.
APPENDIX 4: KITIKMEOT ECONOMIC DEVELOPMENT COMMISSION

Excerpted from Lewis, Mike, and Sandy Lockhart, *CED in the High Arctic: Progress and Prospects* (Centre for Community Enterprise, 1999).
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Excerpted from Lewis, Mike, and Sandy Lockhart, *CED in the High Arctic: Progress and Prospects* (Centre for Community Enterprise, 1999).
CHAPTER THREE

KITIKMEOT ECONOMIC DEVELOPMENT COMMISSION

Kitikmeot region, the western extension of Nunavut, is the smallest of the regions in terms of size, number of communities, and population. Cambridge Bay, the regional centre, lies over 1500 km from Iqaluit. Kitikmeot region's population of approximately 4500 (90% of whom are Inuit) lives in seven communities. Two communities, Cambridge Bay and Coppermine, make up 50% of the population. The population is growing rapidly and is very young, 60% being under 25 years of age.

Kitikmeot Economic Development Commission (known as Kitikmeot CEDO until 1995) is owned by the Kitikmeot Inuit Association (KIA), the political and policy arm of the Kitikmeot Inuit. Under the Nunavut Final Agreement, the KIA is designated as the central organization in the region, charged with implementing the Agreement. A third key organization at the regional level is the Kitikmeot Development Corporation (KDC). Wholly-owned by the KIA, KDC is the vehicle for generating profitable businesses at the regional level on behalf of the Kitikmeot Inuit.

Going to the Communities

Supported by Sinnaq, Kitikmeot CEDO (KCEDO) was early out of the starting gate in undertaking a process consistent with the original ITC vision and plan to involve community members..."thus ensuring that the Inuit at the community level have a direct sense of ownership and control over the process" (1990). In the latter part of 1991, having selected a board and a staff person and completed some short-term operational planning, KCEDO went out to talk to the people about their needs and aspirations for their communities.

Ninety-nine people were surveyed across the six communities. This may not seem like a lot of folks in a southern context, but given there were at the time only 2360 people over the age of 15, 99 respondents represent over 4% of the entire adult Inuit population. Heads of households, carvers, business owners, and a range of individuals were interviewed.¹

The attitudes reflected in the results are revealing. Inuit business ownership was favoured, but not if that meant the exclusion of non-Inuit from jobs. Sharing of community wealth and an increased community role in business development was a common theme. But respondents did not want individual enterprise discouraged. Indeed, were a business to fail, they wanted the owner to be encouraged to try again. Men and women should have equal access to jobs. Development should be slow and controlled, working in harmony with nature.

The community needs identified by the survey were not surprising: housing; better access to supplies for building, carving, and travelling (e.g., snowmobiles); financial services (there were no banks in any of the communities); and increased office space. In terms of skills, respondents emphasized the building trades, hairstyling, and a local economic development officer. Respondents also expressed a strong desire for a variety of training courses, the priorities being business, building trades, hunter and guide, and sewing and craft production training.
In terms of business opportunities, the survey highlighted services (restaurants, hotels, clothing) and renewable resource based activities (making traditional clothing/carving, fishing, fish and meat processing, a tannery and sports hunting). People also generally favoured tourism, but not non-renewable resource development (oil, gas, and mining).

In summary, the people’s message was that development should be slow. It needed to be controlled and consistent with traditional values and maintaining a harmonious relationship with the environment. Renewable resources, tourism, and the retail service sector were the priorities. Finally, people said the primary development objective should be the creation of better jobs with higher wages. A significant aspiration, especially since the survey also indicated that 1297 new jobs would be needed in these remote villages by 2002 if unemployment was to be brought down to 16% (NWT average).²

Two other messages came out strong and clear.

The first was a stream of severe criticism of ED&T. The regional economic development officer was said to do little to encourage economic development and to lack professional training and experience. Local control over government programs was non-existent. Government programs were not understood and inaccessible. The fact that government social assistance was easier to access than economic development programs was seen to be ruining the future for young people in the communities.

The second message was one of overwhelming support for the CEDO concept and the expansion of its role and responsibilities in the years ahead. This was coupled with advice that the KCEDO should work with local development committees and boards.

These community messages became the basis for the KIA and Kitikmeot CEDO to organize a meeting with the Government Leader in May 1992. Armed with a strong community mandate, the KIA and KCEDO pushed to have ED&T resources services devolved to KCEDO, rather than to the communities, as GNWT’s “Reshaping Northern Government” policy dictated. The Government Leader's conditional approval, on the condition (in part) of broad community support for a regional delivery structure, prompted a second round of consultation (see below, pp. 33).

The ITC working group apparently got it right - people in the communities wanted involvement and more local influence. But how was this to be realized?

The Clarification of the Renewable Resource Agenda

In cooperation with the KIA, KCEDO organized in early 1993 a territory-wide workshop on one of the priorities identified in the 1991/92 survey:³ How was local involvement in harvesting, processing, distribution, management, and marketing of renewable resources going to increase? How could Inuit develop a sustainable, renewable resource-based economy that would provide employment and income to the burgeoning Inuit younger generation?

The delegates’ discussion of these issues came to turn around four specific questions. How can Inuit develop the fisheries to provide maximum employment and income? What are the export market opportunities for the full range of species? What opportunities exist for the development of land-based renewable resources? How can Inuit establish a
system of intersettlement trade so Inuit can have access to country food without compromising sustainable management of these resources?

For four intense days, delegates defined opportunities and barriers to those opportunities. They elaborated the critical issues that had to be address to advance a realistic renewable resource development agenda. They detailed both the advantages and the disadvantages that derived from the remoteness, the geography, and the demographics of their region. A considerable number of constraints to development were identified: the burden that transportation costs imposed on both production and marketing; the lack of financial institutions; issues of communications and coordination; inadequate focus and financing for research and development; poorly developed physical and marketing infrastructure to support renewable resource industries; regulations out of sync with arctic realities; and stove-pipe government administrative patterns.

Nevertheless, the participants emerged with a plan of action.

- To develop a communication and transportation strategy for all four NWT regions - Inuvialuit, Kitikmeot, Baffin, and Keewatin.
- With respect to fisheries - to conduct a market study and an inventory of species, to undertake research and training in alternative fishing methods, and to establish a marketing agency.
- With respect to export markets - to increase the marketing of musk ox, shrimp, turbot, caribou, whitefish, and char.
- With respect to intersettlement trade - to incorporate such trade with the hunters organizations, to identify sources of funding, to assess infrastructure needs, and to facilitate training to build organizational capacity in support of intersettlement trade.
- With respect to land-based resources - to coordinate studies being done by the Hunter and Trappers Associations, to facilitate harvest research as a first step towards maintaining accurate wildlife inventories, and to redirect research and development investments from national organizations to the regional and community levels.

They also recommended the establishment of a pan-Inuit steering group to direct and monitor these actions.

With the conclusion of the conference, KCEDO had completed an initial step to address an issue critical to its communities. To do so it stepped outside its region to include all the other Inuit-dominated regions in the Arctic. What it faced, as it was to face many times in the years ahead, were some fundamental challenges:

How does a CEDO address community priorities that, by their very nature, require an organization of resources, capacity, and partnerships at a regional and territory level, if action is to effective? Similarly, how does a CEDO, with its limited resources, ensure community involvement and sense of ownership of actions which only become meaningful within a context of actions on a much broader front? Finally, how does a CEDO take comprehensive and strategic action, when its "corporate neighbours" are by and large, bureaucratic government agencies and other institutions with narrow mandates and managers who don't even live in the region?
An Economic Delivery Model for the Kitikmeot Region

The Government Leader’s response to KIA and KCEDO in May 1992 committed the Kitikmeot leadership to addressing this fundamental challenge. Another round of consultations was necessary and a model that addressed the strategic integration of resources had to be defined.

In late 1992 and early 1993, utilizing the services of RT and Associates Ltd., KCEDO headed back to each of the communities for two rounds of interviews over a 5-month period. The results brought into focus a vision that, at least from a Kitikmeot Inuit perspective, could guide the organization and management of economic development services.

Although a range of government people were interviewed, the heart of the work was the wide-ranging discussions with 94 community, business, and political leaders who lived and worked in Kitikmeot communities. Before exploring their comments, however, let’s review some of the key things going on in 1992 and 1993.

1. The SCONE report of 1988, with its strident advocacy of a more integrated approach to economic development and real decision-making power at the community and regional levels, was still a reference point.

2. The government response to the SCONE report, entitled “Building Community Strengths: A Community Based Approach” (1990) generally left the people in Kitikmeot feeling short changed. Programs and services under the strategy were still seen as being too centralized; “control and decision making are treasured commodities which are closely guarded by senior officials in Headquarters (Yellowknife).”

3. By 1991, with costs going up and revenues going down, the GNWT created a new strategy referred to as “Strength at Two Levels.” The basic message was that cost reduction would be achieved through devolution of delivery responsibilities to communities.

4. In 1992 Sinnaq had released its comprehensive analysis of economic development in the North as a patchwork of fractured mandates and stovepipe delivery systems which were ineffective and unaccountable.

5. Settlement of the Nunavut Final Agreement was close at hand. The communities were in the process of ratifying the agreement through a Nunavut-wide vote. The Kitikmeot Inuit Association was about to enter a new phase as the designation implementation organization for the region. With this would come power and resources unavailable to Inuit before.

It is in this context that the 1992/93 community consultations fanned to life a debate that had smoldered throughout the region. Communities addressed five key questions.

- What were the community views regarding ED&T services, strategies, and initiatives?
- How satisfied were people with current programs and services?
- How accountable were ED&T staff?
• What was the community philosophy with regard to economic and tourism development?
• What did people think of three options for program and service delivery: the status quo, devolution of service delivery to municipal governments, or devolution to a regionally-controlled economic development commission?

The final report, published in November 1993, makes for interesting reading. An outstanding feature is the level of frustration and dissatisfaction expressed at the consultations. People were mad and believed that ED&T had to be changed. Again and again they charged that ED&T was accountable only to Yellowknife. ED&T had a control philosophy, not a development philosophy, was focused on sectoral development and disregarded individual and community needs and opportunities. The criticism is strident and unapologetic with respect to the first three questions. Clearly the status quo was an option for nobody!

With respect to development philosophy, the communities comments reflect a consensus very much in line with aspects of the SCONE report. Gjoa Haven said it well for the small communities: “Economic development in Gjoa Haven needs to orient its strategies, policies and programs towards broader development goals.” The only yardstick of success has been creation of businesses..... a bias which leaves “many smaller scale economic development opportunities that would benefit other non-business segments of the community ignored. In short, people of the community feel that there are natural and physical limitations to the amount of business development that can occur in any small northern community and that for economic development to be targeted properly it must recognize this structural reality.”

Other communities added that what was needed was a “proactive philosophy,” a “can do” attitude, and that this was absent in ED&T staff. We don’t want a “gatekeeper mentality” was a common theme.

Since the status quo was clearly not an option, the question came down to what people favoured. The report from each community clearly favoured the regional approach, with one proviso: every community but one clearly stated that service delivery through a regional structure had to be accompanied by a close working relationship with the local economic development officer. Where there was none, an EDO should be put in place.

However, the Hamlet Council in Gjoa Haven and the local Kinquinik Society were adamantly opposed to all organizational options except a full and complete transfer of responsibility and control to the Hamlet Council. The mayor illustrates the point:

"Although there may be some value in general discussions about our problems on a regional basis, we feel that very little will be gained by counting on a regional board or commission to make things better .... The people who elect us as their representatives expect us to make them our first priority and we would like the opportunity to try. We think that regional control would make that difficult."

The conclusions are by now self-evident. The study put the consensus this way:

“Within this system, most Kitikmeot Inuit and non-Inuit alike, feel that, with one exception - the Kitikmeot Regional CEDO - that current economic development programs and service providers are not accountable to people in the
This led to the principal recommendation that “all GNWT and federal program delivery responsibility ... be devolved to ... a Regional Economic Development Commission which would have overall responsibility for delivering economic development programs.”

Kitikmeot CEDO had thrown down the gauntlet. In many ways, the principles of the document are consistent with the early policy prescriptions of the GNWT itself. However, it was clear that the communities had come up with a different approach. They were opting for a regional “model” that they would control through the board and through the “devolution” of certain functions to the community level. Would the GNWT loosen control? Kitikmeot leadership moved quickly to press their case.

(An interesting footnote to this Kitikmeot community consultation were several attempts on the part of ED&T to hire the two employees of Kitikmeot CEDO. Sometimes this was an approach by senior management. But the Minister himself, John Todd, made the CEDO manager an offer in the fall of 1993. It is intriguing to reflect on just why they might have been so anxious to get Kitikmeot staff back working with government.6)

In December 1993 the full report was sent to each of the MLAs in the GNWT Legislative Assembly. On March 4, 1994, KCEDO, along with key leadership of the KIA, KDC, and NTI met in Yellowknife with the Minister of Economic Development and Tourism (himself the MLA for Kivalliq region), the two MLAs for the Kitikmeot region, and other officials. The objective was to present the report and ask the Minister to support it. The Minister responded, “you don’t have the support of all your MLAs.” One MLA did not support the proposal, despite the unanimous support from the KIA and the near-unanimous support of the hamlet councils. This MLA, despite the two years of work it took to put the proposal together, said he could not support the Kitikmeot delegation until he gave John Todd time to see if the re-organization of his department would lead to improvements. Not surprisingly, this neat stratagem led John Todd to ask the Kitikmeot delegation to “give me six months.” If they did not feel the changes being implemented were improving the delivery of economic development programs and services, they should come and see him again.

The Kitikmeot delegation did not expect the proposed changes to work. But they did hope that the legislature would give a green light to their regional delivery model during the fall 1994 session.

Building a Strategic Approach to Regional Opportunities

During these early years, aside from trying to influence the policy context in various ways, KCEDO was delivering a range of services. With only a staff of two (a manager and a development officer based in Taloyoak), it undertook a wide variety of training and support activities to the jobless and to entrepreneurs. In addition, KCEDO was integral to efforts to strengthen regional capacity and better position Inuit interests to take advantage of opportunities beyond the scope of any single community.

KCEDO organized and facilitated the establishment of community committees and the Pathways program Aboriginal Management Board in the region. It organized and managed a multi-year project, in conjunction with the University of Saskatchewan, to
design an economic model capable of assessing local and regional impacts of large scale natural resource projects such as mining. It assisted and/or managed several studies of regional business opportunities. It engaged in a range of negotiations aimed at advancing the interests of Inuit in the region, including EDA negotiations, establishing (with Sinaaq) an Aboriginal Capital Corporation, and setting up an Inuit Equity Fund. It worked with Arctic Cooperatives to try to launch community-based credit unions. In short, KCEDO has been as vitally active in improving the region’s capacity and climate for economic development as it has been in serving in individual clients.

Perhaps the organization with which KCEDO has worked most closely in this regard is Kitikmeot Inuit Association’s other wholly-owned, but for-profit entity, Kitikmeot Development Corporation. Together, these three organizations continue to represent an important regional capacity to advance Inuit community interests economically, socially, politically, and culturally.

The emergence in the early 1990s of a potentially huge mining and infrastructure development in the region of Coppermine and Bathurst Inlet created some major challenges for Kitikmeot Inuit organizations. Outside development could be on the agenda in a big way. On the one hand, the communities had significant concerns with respect to large-scale, fast-paced development schemes. They were not crazy about the prospect of mining either, as the community consultations indicated. On the other hand, jobs had to be created for a rapidly growing population of young people.

The writers are not privy to the debates that have gone on around these issues in the communities or at the regional level. What is clear, however, is that any organizational mandate that serves Inuit has to be ready to position their interests.

In June 1994, Kitikmeot CEDO and KDC organized a workshop to address the challenge that large-scale mining would pose to the regional population. It gathered together key people from the KIA, KDC, Nunasi (the birthright corporation owned by NTI), and KCEDO. In four days, delegates hammered out a series of policies specifically designed to prepare KDC to meet the challenge. The event had two major priorities. Firstly, a venture development policy and decision-making framework had to be built for the KDC. Secondly, it was necessary to learn more about negotiating and structuring joint ventures so as to insert Inuit economic, social, and environmental interests squarely into the middle of any large-scale resource development in the region.7

Although not the central actor and focus of this very timely workshop, KCEDO was an important and an active partner in its facilitation. The organization was playing a significant role in fostering a regional capacity that could be pro-active rather than merely re-active.

The KCEDO has played other roles in the mining sector as well. For example, it was active in all the negotiations with Metall Mining Canada Ltd, and organized the financial and technical resources necessary to conduct a solid negotiation. Another example is the work it did to conceptualize how to raise private financing for infrastructure development.

This initial work helped prepare the region’s Inuit organizations to negotiate the first Inuit Impact Benefits Agreement, signed in September 1996 by the Kitikmeot Inuit Association (with support from the Kitikmeot CEDO and Kitikmeot Corporation) and Echo Bay Mines.
Ltd. A relatively small gold mine, the proposed Ulu project was considered by the KIA to be an important starting point in setting the stage for future agreements. Although, as aforementioned, depressed gold prices have kept this mine from proceeding, there were some important principles established in this initial negotiation. KCEDO played an important role as a key partner throughout this process.

**Building a Community Economic Development Strategy for the Kitikmeot Region**

On the heels of KCEDO’s major attempt to influence the GNWT policy with regard to devolution in 1992/93, and with mining and GNWT capital spending looming, KCEDO initiated another two rounds of community consultations and economic analysis in 1994 and 1995. These came together in a report called the “Kitikmeot Community Economic Development Strategy” (May 1995) which included six companion reports, one for each of the Kitikmeot communities.8

This document was the first comprehensive analysis of two key sectors of the economy, mining and capital projects. (It also was the first relatively comprehensive picture of the condition of the Kitikmeot labour force.)

It goes into significant detail with respect to both the existing Lupin gold mine and the prospects for developing other mines. It also reviewed the exploration side of this business. Several opportunities were identified and analyzed with the aim of positioning Kitikmeot region businesses to maximize benefits and to position KDC for joint ventures.

With the advent of Nunavut just four years away, the capital project budget for Kitikmeot for the next five years was slated at $72.6 million. Opportunities related to this capital project spending covered a wide range of new construction, renovation, water, sewage, fuel, and other recreational and land-based developments.

It both these sectors, the size of the developments created a classic dilemma. The scale of the projects by and large outstripped the financial capacity of existing businesses. Given the slowness and inefficiency of government lending and other financing supports, most of the opportunities would necessarily end up going to southerners. (This dilemma highlights the importance of joint ventures as a strategy for capturing of economic benefits for the communities and region. It also provides a clue as to why it is so important to rationalize the organization of government resources in relation to community and regional development. Without a more comprehensive, strategic, and coordinated approach, the region will capture few benefits, if any.)

But KCEDO in 1995 was still in the same position as it was in 1993 with respect to the GNWT. ED&T had devolved nothing to KCEDO. Apart from lobbying for EDOs, hamlet councils had no role in economic development. The stovepipe administration of economic development services and programs continued unabated. On the federal side, KCEDO had managed to develop a cooperative working relationship with Pathways because the program board was controlled by community representatives. Inuit organizations appeared to be collaborating and cooperating. But in the realms of the territorial and federal governments, fragmentation remained the rule.

With its two staff and a $340,000 budget, KCEDO was clearly an activist and advocate in the midst of a complex array of externally-imposed institutions, agencies, and programs. In what must at times have seemed a futile attempt, KCEDO tried to introduce some
strategy and coherence to a confused set of overlapping mandates, jurisdictions, and self-interested organizations. But in 1995, it had apparently made little progress in breaking the log jam.

KCEDO’s final plea in the strategy was for the formation of a Kitikmeot Economic Development Council - a means by which parties could work together to deal with the eternal mandate conflicts that were sabotaging strategic cooperation. The vision was for a results-oriented Council that could focus on solving problems and getting on with effective management of the economic development process.

A Snapshot of Activities & Results: The Fifth Year

Fiscal year 1994/95 was the fifth and final one for CAEDS. KCEDO and the other two CEDOs (Kakivak and Sakku) were requested by Indian and Northern Affairs to prepare a report on the year’s activities (see page following). Some previous attempts at documentation were sketchy at best. This report was prepared by the Nunavut CEDO with some outside assistance.9

Kitikmeot, the smallest region in terms of numbers of people, communities, and businesses, had the smallest budget of the three CEDOs. Yet it had the best performance in training and placement, new business starts, business expansions, and jobs created, as well as the highest leverage of finance into the region and the highest density of networking and developmental activities.

KCEDO’s 16 business starts represented 21% of the entire base of existing businesses in the region. Six business expansions represented work with 8% of the regions businesses. These are impressive ratios.

These activities indicate that the KCEDO is interacting with a broad cross-section of the economy, both with small businesses at the community level and with larger opportunities at the regional level (where it worked closely with KDC). The range of tasks associated with carrying out these business activities is important to note:

- providing advice and recommendations to clients
- assisting them with their negotiations with banks, suppliers and creditors
- developing business plans and financial packages, all of which do not get captured in activity related reports.

Among the projects of note were KCEDO’s efforts to assist communities in developing their own business service centres. During the year, three received technical assistance in feasibility studies and financing packages.
### 1994-95 - A Snapshot of KCEDO Budgets & Results

#### REVENUE

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#### EXPENDITURES

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</table>

#### Summary of Activities & Results

**Training and Employment Activities**

- # training activities: 5
- # of people placed in training programs: 32
- # of people placed or continuing in employment after training: 32

**Business Support Activities**

- # of businesses in service area: 76
- # of businesses/clients assisted 94/95: 36
- # of new businesses started: 16
- # of jobs created by new businesses: 42 (mix of seasonal, pt and fte)
- # of existing businesses expanded: 6
- # of jobs created by business expansion: 9

**Resource Access Negotiations Projects**

- 1 joint ventures related project

**Other Activities**

- # of other activities KCEDO involved in: 20
- # of jobs support by these activities: 17

**Funds leveraged or expected to be leveraged**: $1.92 million

One of the reasons KCEDO appears to have been able to achieve such results with such limited resources is its development and use of a network of consultants and technical assistance providers. This approach brought specialized services to their clients on an "as needed" basis. When managed properly, such a strategy can provide greater flexibility and a means to achieve results more rapidly.
Interestingly, the KCEDO also carried the management responsibilities for the Nunavut-wide CEDO started in 1994. This is just one indicator of the critical importance the KCEDO attaches to activities focused on influencing development policy, networking, and coordination initiatives.

Training for capacity-building initiatives, like board training for regional and community-based development corporations, are another activity with crucial regional importance. There was also some modest collaboration with the Kakivak CEDO to develop a curriculum for the Nunavut Business Management Training project.

Planning and research activities focussed on developing a regional CED strategy and assisting KDC to develop a corporate and strategic plan. In addition, resources were secured to assist Kitikmeot Corporation in the promotion of their organization at a wide variety of trade shows and forums across Canada and the N.W.T. each year. This is particularly relevant to strategic networking aimed at identifying potential joint venture partners and developing relevant industry contacts. In addition, research and advocacy activities related to devolution of GNWT economic delivery services and working to correct funding inequities in the CAEDS program, occupied more time and energy.

And that was not all. KCEDO also undertook a number of other development-related tasks. We have already mentioned its role in the development of the Nunavut CEDO. KCEDO also participated in regional and funding-related committees, and secured resources to extend by another two years the contract for the economic development officer in Taloyoak and Pelly.

Given this degree of activity for such a small staff, it is hardly surprising that KCEDO was weak in its tracking and evaluation activity. (KCEDO itself identified the problem in its 1994/95 report summary.) Another obvious issue was the survival rate of the businesses being started. It is not difficult to imagine that post-start up support services could have been lacking.

Another potential weakness (and one directly related to an obvious strength) was KCEDO’s dependence on its high-powered general manager, whose energy, commitment, and skills were critical to building such an effective CED organization in five years. What if he were to leave? It is well known in the field of CED that such talented development managers are in short supply. Was there a plan to ensure that succession would be successful?

The Second Five Years

Since 1995 there has been a slow but steady progression on several fronts.

KCEDO, renamed Kitikmeot Economic Development Commission (KEDC) has allocated to management the additional business development resources derived from the land claim settlement. The Kitikmeot Corporation provides resources to KEDC to manage under the Kitikmeot Business Assistance Program. Loans up to $25,000 and grants up to $5000 are available to Inuit business people. KEDC also manages the Nunavut Sivummut Program, an up to $3000 grant program created by NTI Inc for business-related development at the community level.
Steady progress has been made in establishing Business Service Centres in Coppermine, Cambridge Bay, and Kugluktuk. Two more are being planned for other Kitikmeot communities.

KEDC has continued to play a key role in a range of Kitikmeot Corporation business initiatives. This teaming up of two organizations’ scarce technical and management talent appears to be a key feature of KEDC and KC success. It has brought about more flexibility and capacity to take quick action, a greater depth of expertise, and stronger planning in human resource, organizational, and business development. KEDC has also acted as a key resource to KIA and KC in generating financial resources to plan and research larger opportunities.

The economic development office serving Taloyoak and Pelly has been maintained through the funding arrangement with the GNWT (perhaps the only concession ever realized, despite all the efforts to devolve services to the regional level).

KEDC’s takeover of the Pathways program has provided the means to begin tailoring training investments more carefully. The pattern of automatic approvals to subsidize Arctic College programming was broken, making for a much more accountable and integrated investment of funds into community and regional development priorities. For example, projects covering a range sectors were financed in 1997-98. On-going investment in upgrading was supported. There were several projects directly concerned with increasing Inuit skills in renewable and service related business: guiding, sea kayaking (part of one community’s pilot project in tourism), plumbing, fishplant worker upgrading, intensive internet training, heavy equipment operation and maintenance, office management and administration, and carpentry. Diverse projects related to mining have been supported as part of the effort to equip people with a range of technical skills associated with this industry. Traditional sewing and jewelry/metalwork training have also continued to be part of the mix. During the 1997/98 fiscal yea, $1.14 million was managed on this front.

There has also been youth initiatives to build life skills and work experience, in addition to career planning programming and supports which in 1998 amounted to $375,000.

On the broader front of strategic networking and partnership building, KEDC has played several important roles since 1995. It has been a key partner in organizing and planning the 1998 Nunavut Mining Symposium held in Cambridge Bay. Almost 300 participants attended. KEDC has maintained a range of networking activities related to the mining industry, and so increased its contacts in and its understanding of this high-potential industry. Charlie Lyall, the KEDC president, has made several speeches throughout southern Canada at key industry forums.

In its capacity as manager of the Nunavut CEDO, KEDC has played an important part in all the pan-Nunavut efforts to support CEDO development and advance CEDO interests. It has represented, at different points in time, one or more Inuit Associations in various negotiations.

Apart from the on-going demand for assistance from clients and KC’s business development efforts, KEDC’s research portfolio has included the development and testing of a computerized Economic Model that would enable KC and KEDC to predict the economic impacts of major resource development projects in the Kitikmeot and...
Nunavut. Both the federal and the territorial governments are asking if the information can be shared with them.

All these initiatives represent strategic moves to expand and consolidate the basis for Inuit to have a greater array of resources and capacity as they chart their economic future. It also represents the base from which the familiar problem of stovepipe delivery systems and fractured mandates can be attacked on a broader basis.

**Moving Partnership Building to a New Level**

A common and consistent theme of KEDC’s work has been the search for a means to integrate services and strategically focus community and regional economic development initiatives. Despite the frustration stemming from the failure to get ED&T to devolve resources, KEDC has persisted. As early as 1995 a regional economic development council had been advocated as a means to bring some rationality into the system. There is a marked consistency in KCEDO/KEDC efforts to create broadly-based means to facilitate communication, strategic initiatives, and management and coordination of economic development projects.

Finally, in mid-1998, all this work appeared to have the chance of coming to fruition. Kitikmeot Corporation and KEDC organized a meeting to discuss the merits of and begin planning for the development of a Kitikmeot Partnership. In attendance were representatives from what is now the Department of Resources, Wildlife and Economic Development, the Department of Education, Culture and Employment, the KC, KIA, KEDC, and a number of representatives from the private mining sector (Mulco, BHP, and Kitikmeot Geological Ltd.).

Representatives agreed that a partnership was indeed timely. A number of major development activities are slated to commence over the next five years in terms of mining, DEW Line clean up, construction, tourism, and the advent of Nunavut government and the accelerating implementation of the Nunavut Land Claims Agreement. If benefits are to flow to the residents of the Kitikmeot region, a much more effective means of mobilizing and allocating resources is required.

Out of this meeting came a draft of the vision and goals for the Kitikmeot Partners. It reveals a clear intent to develop and implement a strategic approach to human resource development, business development, and regional policy advocacy.

**Draft Vision of Kitikmeot Partners**

The Kitikmeot Partners is non-political, action oriented, responsive and flexible partnership established to address both the needs of people in the Kitikmeot region and of the employers who operate in the region.

The Partnership will be a clearing house of information whereby there are databases of skills and education levels of the residents of Kitikmeot and labour market opportunities.

This Partnership will serve as a forum for discussions on potential and ongoing developments within the Kitikmeot region. As well, the Partnership will provide a forum where the stakeholders will share information and resources for the overall development of the region, a kind of “one stop shopping” for the employers of the region.
Overall Goals

1. To focus on youth issues
2. To establish and expand the membership within the Partnership
3. To develop a communications strategy
4. To develop and overall comprehensive information package (database)
   - labour market demands (forecast)
   - skills, education levels
   - programs and services
   - funding sources
   - expertise
5. To develop overall plan to address the needs whether they be training or business opportunities
6. To influence policy so that it is relevant to the Kitikmeot Region, in both the public and private spheres
7. To promote regional developments

For each of the goals, specific objectives and related tasks were defined and the beginnings of an action plan put in place.

The process of putting together a new organization is always challenging. KEDC has played a key role in starting the process, but it will take time to unfold. A second meeting held in September 1998 nudged the process along further. A mission drafting group was struck; preparation for incorporation is underway. It remains to be seen whether this new infrastructure can be a means through which a more unified, strategic focusing of economic development resources can be achieved in the region. Clearly, KEDC is positioned to play its part in trying to make it so.

Comparing KEDC with the Characteristics of Best Practice CED Organizations

To complete this chapter, we examine KEDC experience and development in terms of “best practice” in the field of community economic development. Pages 44-47 present a chart that summarizes our preliminary conclusions as to how KEDC stacks up against key best practice characteristics. Thereafter, we present a summary of our analysis of the results of a questionnaire completed by five key officials associated directly with KEDC.
| Criterion for Assessing Best Practices in CED Organizations | KEDC - Kitikmeot Economic Development Commission | The comments in this table are based on a reading of the written record available to us for review. In the case of KEDC, this was extensive. It was supplemented by some e-mail communications that further clarified certain issues. Based on the extensive documentation base, and based on our understanding of best practices in the field of CED, we have a strong confidence in the results, even while recognizing that without more extensive field research, there will no doubt be qualifications that will come about when the narrative is reviewed by people close to the action. |
| 1. Comprehensive Mind Set and Strategic Approach to Key Functions | From its inception KEDC has reflected a comprehensive orientation and a strategic approach to all the key functions. It has demonstrated time and again, whether it be through its advocacy, planning, institution building and networking, strategic cooperation with KIA and KC and delivery of services and resources to and with communities, that it is an organization that is well on its way to becoming a “best practice” CED organization. | |
| - Planning & Research Capacity relevant to Core Mission and Goals | This is a major strength of KEDC. Not only does it undertake research and planning as a serious commitment, its approach to these tasks over the years have reflected a capacity for focussing effort on planning and research that strategically advance the interests of the organization and the communities. The research effort over the years has had a logic to it, particularly in how each piece of work undertaken builds on the knowledge and advancements created by what has gone on before. | |
| - Building Equity | KEDC has never directly been involved in owning businesses. It has always respected this mandate as belonging to KC on behalf of the KIA. However, it has played a key role in helping KC to be effective. The record is full of joint activities where KEDC has played a key planning, research, organizing and development role that has strengthened KC’s capacity to be more effective. With respect to its delivery of business development services aimed at Inuit entrepreneurs and community business, the performance of KEDC has been very good. This is reflected in actual business starts and expansions as well as a very good record in leveraging financing into the region for a variety of business projects. Its work with the communities to put in place Business Service Centres have added equity at the community level. With such a small staff, coupled with the breadth of KEDC activity, the results are actually quite remarkable. |
| - Accessing Credit Resources | KEDC was a key part of the unsuccessful effort to get the credit union movement in Canada to help put in place community-based financial institutions. It worked to secure an ACC in the north and has managed the External Delivery Program of Aboriginal Business Canada on behalf of the Nunavut CEDO, which has been a source of credit and other types of business development assistance across the eastern Arctic. It also delivers credit directly on behalf of the birthright Inuit Organizations as part of claim implementation. |
| - Strategic Approach to Human Resource Development | KEDC has organized and brokered training resources at several junctures targeted at increasing the capacity of Inuit organizations. This has included strategic planning, board development, and joint venture training, all of which have been successfully used to prepare the organization for current and looming challenges. In addition, KEDC has approached influencing, first indirectly and now directly, the delivery of the Pathways program. Since taking over its administration, the record indicates that the focus of training investments is becoming more closely linked to the region's opportunity structure. |
| - Strategic Networking and Partnership Development | This is a major strength of KEDC which is well documented in the record. Whether at the regional, territorial, or national level or between public, private, and Inuit sectors of the northern economy, KEDC as been a proactive networker with a strategic agenda. |
| - Advocacy of and Leveraging of Infrastructure to strengthen Community Economies | KEDC has been actively concerned with building infrastructure at various levels. The Business Service Centres are one example. It has assisted KC in establishing internet capacity in the region through a subsidiary. It has conducted studies and been concerned with positioning KEDC, KC, and Inuit businesses to benefit from government infrastructure investments and potential infrastructure investments now contemplated for the mining industry. |
| 2. Clear Governance and Accountability Framework | There is strong cohesiveness between the board and senior staff with a solid consensus around key priorities. Strong working relationships with both KIA and KC is facilitated by clear accountability to KIA on the part of KEDC and KIA and a strategic use of leadership resources across the three organizations. Reporting systems in KEDC are adequate and where they have been weak (mainly in tracking results), the problem has been recognized and steps being taken to improve. To this end they have worked with other CEDOs through the Nunavut CEDO to design and get an appropriate data base in place. |
### 3. Degree and Nature of Community Participation Patterns

Between 1991 and 1995 there were overall six rounds of community consultation. These interactions were structured to determine community interests in key areas related to mandate, model building, and strategy. The strategy work included the development of a CED strategy in each community. The record does not indicate if these types of consultations have persisted. However, the level of KEDC delivery of services has been steadily increasing and the nature of some projects, for example the business service centres, suggest a strong linkage is being maintained and that community participation around specific projects is being facilitated. What is not known is the extent to which KEDC has been successful in increasing community organizational capacity to be involved in planning and implementing development activities.

### 4. Competent use of and Leverage of Technical Assistance and other External Resources

KEDC has carried out its broad range of activities with a very small staff. This has been facilitated by its utilization of consultants, which are managed carefully by KEDC to do specific research, feasibility, business planning, or technical support work related to carrying out the KEDC mandate. This has been a key element in enabling KEDC, even with a small staff, to carry on the broader array of development work that has characterized this organization while still competently delivering a range of services.

It has also engaged a wide variety of consultants, academics, etc. in strategic tasks aimed at increasing KEDC, KC, and Nunavut CEDO capacity to address priorities. The building an economic model to determine impacts in the region of resource development proposals is just one example of how KEDC has managed to access outside expertise to develop a tool which is not only useful for the task at hand, but also how it has strengthened the position of Kitikmeot Inuit to influence the development process.

### 5. Strength of Outcome Orientation Evident in Implementation of Functions, programs and tools

The record indicates a strong outcome orientation. Early on, KEDC demonstrated this by constantly badgering the governments for a more strategic, coordinated, and comprehensive approach to development in the region. The rationale was that outcomes would be improved if turf wars could be reduced and accountability for results improved if unified strategy could be put in place. This orientation appears to have persisted throughout KEDC’s history.

The tracking of outcomes to better determine the durability of results and to enhance organizational learning of what works and what doesn’t, has not been that strong. However, our conclusion is that this has been more a capacity problem than an attitudinal one. KEDC has been committed to increasing the overall capacity of CEDOs to track results through the role it has played in the database project.

What is most important about KEDC is its persistent interest in a strategic approach that maximizes and protects Inuit and community benefits, whatever the opportunity or development challenge. They are not content with “bean counting” the training weeks funded. Rather, they want to know how the investment fits with building the skills, attitudes, capacity, and resources necessary for greater economic self-reliance.
### 6. Leadership with Social Entrepreneurial Qualities

It is difficult to make comments on this due to the limited nature of the review. However, it is evident from the documentation that the entrepreneurial qualities of the general manager and the chair of the board are tremendous assets to KEDC. Indeed, the worry is that there may not be sufficient grooming of successors to take on the leadership they provide. Succession should be a concern that is addressed as strategically as other aspects of KEDC work. This is accented by the tremendously ambitious and challenging agenda KEDC has developed in a region that is facing both opportunities and potentially tremendous pressures from resource development activity. Best practice organizations have developed sufficient depth of leadership to manage leadership transition successfully. KEDC needs to look at itself and ask itself how it compares and if it is weak in this area, and then to build a plan to strategically broaden and deepen the leadership base over the next several years.

### Comments Based on the Questionnaire Analysis

As noted in the beginning of this book, there was an original intention to carry out a series of interviews in person with a wide variety of people associated with each of the CEDOs as well as a number of government officials. Unfortunately, this did not happen. As a way of getting at least some primary data, the study team decided to carry forward a questionnaire that would be completed by key CEDO staff, board, and related organizational leadership.

The questionnaire (see Appendix One) was designed to draw out individual assessments of past and future priorities. The basic task was defined in the box below:

<table>
<thead>
<tr>
<th>Each of the CEDOs in Nunavut have been on their own development path the last 8 years. Each organization has had different opportunities, challenges and priorities. Similarly, each organization will face new opportunities, challenges in the years ahead. Your perception of what these are could well mean that your CEDO changes its priorities from what they have been in the past.</th>
</tr>
</thead>
<tbody>
<tr>
<td>For each of the categories outlined below, and any others you may wish to add, we would like you to answer two questions.</td>
</tr>
<tr>
<td>In terms of the PAST five years your CEDO has been providing Economic Development Services and investments in your region, on a scale of 1 (high) to 4 (low), how would you estimate each of the following activities in terms of your own organizational priorities?</td>
</tr>
<tr>
<td>In terms of the NEXT five years your CEDO will be involved in providing Economic Development Services and investments in your region, on a scale of 1 (high) to 4 (low), how would you estimate each of the following activities in terms of your own organizational priorities?</td>
</tr>
</tbody>
</table>

Respondents rated 54 different individual questions that were clustered around six major categories:

- new business and human resource development priorities
- sector priorities
• understanding of client preferences, and readiness for different types of ownership
• how the CEDO’s own financial future would best be achieved
• what the key priorities were for the CEDO’s own organizational growth and development.

While individual responses are interesting, the most useful analysis of the data that resulted came from the variance analysis undertaken. This was done to determine the degree of consensus or divergence with respect to organizational priorities expressed by the key staff and board officials of the CEDOs (and related organizations in some cases, e.g., the sister development corporation or Inuit association).

To the extent that there was a low variance, this would signify that there was a reasonably high degree of consensus. Generally speaking, this would indicate that the CEDO was clear about its mandate, that there was a shared vision, that strategic planning was sufficiently advanced and understood by the key players in the organization, and that communication and accountability patterns were healthy.

To the extent there was a high variance, this would signify that there was a lack of consensus or divergence between the key players. Generally speaking this would indicate that the CEDO was not clear about its collective vision, that strategic planning was weak, and there may be communication and accountability problems.

From a research perspective, this would provide some further indication as to whether the analysis of the documentation that we carried out was adequately supported by the attitudes of the key leadership (thus providing a check on the bias of the researcher).

In the case of Kitikmeot, the results were quite dramatic. There was an extremely low level of variance (0.2) across the full range of the questions. Only 6 of the 54 questions elicited responses that were above this extremely low average. This is a very impressive degree of consensus. It also is a strong, independent confirmation of our analysis based of the documentation.

Some Final Comments on the Kitikmeot Case

KEDC has made significant progress since 1990. In our view, it is well on its way to emerging as a best practice organization in the field of CED in Canada.

One of the largest challenges KEDC faces in the next decade or more is whether it is prepared to manage the prospect of engaging in the mining sector without compromising its efforts in other spheres of development. It the early ‘90s there was a clear resistance in the communities to non-renewable resource development. On the other hand, there was an equally prominent concern regarding the high levels of unemployment. Mining is obviously a sector with potential economic benefits for some Inuit. However, it offers no long-term solution to the economic dilemma facing most Inuit communities.

Moving into an industrial framework in the high Arctic must involve balance: balance between industrial imperatives and community interests, between environmental fragility and economic necessity, between short-term benefits and long-term development. This balancing act requires ensuring that KEDC and its sister and parent organizations, along with the communities they are mandated to serve, are vigilant every step of the way. From a CED perspective, the Kitikmeot triumvirate (KIA, KC, and KEDC) must be
positioned to capture the full range of benefits from development - access to the profit stream, management influence, jobs, and training. From an long-term environmental and CED perspective, they must be thinking clearly about investment and re-investment strategies that foster the evolution of the tourism, arts, and renewable resource sectors as thriving, sustainable bases of economic activity. Mining means boom and bust - sooner or later, the ore runs out. It is imperative that this reality be front and centre in long-term planning.

Another major challenge is the broadening and deepening of the leadership base in the economic arena. CED is a field that requires a combination of community development, business development, and political management skills. It takes years to build the knowledge base and skills that provide the basis for effective development managers. The Kitikmeot organizations have a foundation of leadership. Now the challenge is to fill a whole house with leadership that can carry forward the struggle to build more self-reliant communities over the next decade.

The last comment we might offer is that community engagement is the ultimate challenge, if the development process is to be meaningful to the Kitikmeot Inuit over the long term. Without involvement, people end up feeling like the objects of other people's creation of history. Making people the subject of their own history is what CED is about at both a philosophical and a practical level. It is also a check on the fact that any organization can become self-interested, consumed by control and power. Development is ultimately evaluated by the quality of people's lives where they live. It is this basic perspective that demands a balanced approach to development which was advocated by the SCONE report over a decade ago.

Chapter Three: Endnotes

2 Ibid., 1.
3 “Renewable Resources Conference - Planning for the Future: Challenges and Changes in the 90's, Cambridge Bay March 30-April 1, 1993.”
6 Private communication with Keith Peterson.
7 “Planning Information and Recommendations from a Workshop Held between KIA and Kitikmeot Corporation,” June 13-17, 1994. This event was organized by KCEDO and KC.
9 “Nunavut Inuit CEDOs 1994-95 Report on Activities and Data, prepared by Nunavut CEDO in conjunction with Consilium, May 1995.”
10 “Report to Kitikmeot Inuit Association, Kugluktuk, NT October 6-8, 1998, by Charlie Lyall, President KEDC.”
APPENDIX 5: THE OREGON BENCHMARKS

Lewis, Mike, and Sandy Lockhart, “The Oregon Benchmarks: Oregonians are getting results from this approach to governance. Can we too?” Making Waves: Canada’s Community Economic Development Magazine, Vol. 12, No. 2 (Summer 2001), pp. 4-12.
APPENDIX 5: THE OREGON BENCHMARKS

Lewis, Mike, and Sandy Lockhart, “The Oregon Benchmarks: Oregonians are getting results from this approach to governance. Can we too?” Making Waves: Canada’s Community Economic Development Magazine, Vol. 12, No. 2 (Summer 2001), pp. 4-12.
Systematic, holistic, yet transparent – Oregon’s approach to state-wide planning gets different sectors & interests tracking change in terms of a common set of specific outcomes. Having agreed what they wish to achieve, people can turn to more constructive issues – what is effective, & what is not.

the Oregon BENCHMARKS

Oregonians are getting results from this approach to governance. Can we too?

Change may be necessary if we are to meet many of the challenges we face in society, but it sure is not easy. The complexity of shaping and guiding change seems to be getting beyond many of our institutions, including governments - or some might say, especially governments. The resulting stress on our citizens and on our public and private systems is increasing. Buck passing, cynicism, and gridlock around key issues create a fertile ground for conflict, too much of which seems to have little redeeming purpose and plenty of damaging consequences.

It is perhaps this context, rife as it is with partisan bickering, propagandistic pressure tactics, and acrimonious blaming for things going wrong, that is leading traditionally widely-divergent interests in B.C., Canada, and the United States to call for a more transparent, results-oriented way of conducting our affairs. The old battle slogans are ringing hollow. Simplistic solutions to the present and looming challenges are unacceptable to more and more people. And more people are beginning to recognize the connections between a healthy economy, social equity, and a quality natural environment.

Old rhetoric and old solutions that rely on top-down decisions and top-heavy systems hold little hope of empowering our society to meet the myriad of challenges we face. Nor is a simplistic, the market-rules approach to life very helpful. We need a governance framework that is more transparent and accountable and which pulls us together to work around concrete outcomes.

The people of Oregon seem to be finding a way to do this. They call the process “benchmarking,” and it has great import for anyone committed to getting better results in our society. At the heart of the process is a 20-year strategic vision for the economic, social, and environmental future of the state. This vision is made specific through meaningful targets and measures that bring focus to action and resource allocation. These targets (outcomes) and measures (indicators) have evolved from the input of a broad cross-section of Oregonians.

What is really extraordinary, however, is the capacity of this system of “benchmarks” to stimulate and facilitate partnerships across sectors, regions, and interest groups in the interests of achieving concrete outcomes. During a visit to Oregon in the autumn of 2000, we were impressed by the number of effective, results-driven partnerships that have been forged and by the pervasive evidence of systems changing, for the better.
Moreover, the measurement of progress over time seems to be creating a feedback loop that is having a huge impact on government and private decisions. In other words, Oregonians as a society are actually learning from their collective experience.

They are far from solving all their problems, mind you. We believe the results of the Oregon Benchmark system nevertheless provide a more cohesive and collaborative foundation for preserving and improving the quality of life for all citizens.

We cannot help but think what a difference this could make to people in B.C. and other parts of Canada and the United States: the difficult community and regional development challenges that resource-based and coastal communities face in our rural areas, and the endemic issues of marginalization so many of our citizens are experiencing in our major urban areas.

“OREGON SHINES”: THE STRATEGIC VISION

Back in the late 1980s the state of Oregon found itself rather abruptly cut adrift from its long-established economic mainstays. Like B.C., Oregon’s economy was heavily dependent upon primary industry. Forest products and the fishing industry were the dominant players. Shifts in market forces, resource depletion and degradation, and wider changes in public environmental sensitivities (notably, the issue of spotted owl extinction), all combined to virtually shut down a once thriving economic engine.

Confronted by a severe recession the state government of the day had no option but to embark upon a quest for an alternative vision. In 1989, Governor Neil Goldschmidt gave his officials six months to put in place a strategy that would counter the inexorable decline in the economy. Also, with strong support from the Oregon Business Council, he appointed a broadly representative task force to help drive the strategic analysis and visioning. Over 200 carefully selected individuals became involved in the quest to develop a comprehensive, state-wide revitalization plan.

The strategic vision is set out in the 1989 landmark document, Oregon Shines. It projected three goals that were driven by an overall vision of transforming Oregon from a languishing resource-based economy into a one that would ride the high-tech wave in the global marketplace:

1. “To invest in Oregonians to build a workforce that is measurably the best in America by the year 2000, and equal to any in the world by 2010.”
2. “To maintain Oregon’s natural environment and un-congested quality of life to attract the people and firms that will drive an advanced economy.”
3. “Create an international orientation in Oregon’s business and cultural life that distinguishes Oregonians as unusually adept in global commerce.”

On the surface, these strategic goal statements do not seem particularly compelling. However, if the goals and the prescribed means of achieving them are put in context, both the ends and means appear to diverge significantly from past Oregon approaches.

Oregon’s workforce, while often skilled in the “learn on the job” sense so common in resource-based economies, had never before viewed their lower than average U.S. education levels as a problem. Thus the focus on education, training, and workforce development was a fresh priority. Similarly, the state’s economic planning establishment had never before considered quality of life issues relevant to their mandate. Together, a relatively low population density and an economic dependence on resource exploitation had kept environmental and social issues safely outside the realm of economic development.

However, by the late 1980s the state’s capacity to ignore bad environmental management, both natural and social, had reached its limit. Quality of life issues, both urban and rural, came into increasingly open conflict with the traditional approach of accommodating powerful economic interest groups. So linking quality

Figure 1

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<th>STRATEGIC VISION</th>
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<tr>
<td>3 Broadly Stated Strategic Goals</td>
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<tr>
<td>Vision &amp; Goals broken out into 7 Major Benchmark Categories</td>
</tr>
<tr>
<td>Economy</td>
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<tr>
<td>92 BENCHMARKS tracked and reported on every 2 years by the Oregon Progress Board</td>
</tr>
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</table>
of life enhancement to workforce adjustment was not just a way to ameliorate growing internal conflicts. The linkage also came to be seen as a central strategy for "attracting the new outside [high tech] industries" that were to be the means by which Oregon would meet the "globalization challenge."

But as radical a departure as these strategic goals may have been from Oregon's historic pattern, the "Oregon Shines" vision did not differ significantly from economic theory which at that time was chasing government out of many spheres of economic and social intervention. The "Oregon Shines" call for substantial but outcomes-oriented government interventions was a direct challenge to conventional economic wisdom.

THE MEANS TO THE ENDS

Seen in these terms, both the strategic goals and the tactical prescriptions of the Oregon Shines initiative did have an innovative edge. However, neither of these features represents what was most conspicuously original in Oregon Shines. What has given the Oregon experiment its wider currency is the way in which progress towards realizing the strategic vision is continually monitored, measured, and evaluated through establishing specific targets (outcomes) and indicators.

Once established and regularly compiled, the idea was that these targets and indicators would provide all concerned with a regular report card on the achievement of Oregon's vision. What's more, they would support and encourage a holistic analysis of change. From the beginning they were to include social, environmental, and economic outcomes and indicators so that the costs and benefits in all three realms could be tracked, evaluated, and compared. This is the very essence of both the promise and impact of "Oregon Shines."

Another innovation was the creation of a "caretaker" of the strategic vision. Most high-level task forces, seconded and assembled to advise a government on how to fix a problem, table their reports and are then dismantled, often leaving their recommendations institutionally orphaned. The Oregon Shines task force, by contrast, recommended the creation of an "Oregon Progress Board" (OPB), which the state legislature established in 1989. This diverse and bipartisan group of nine business and community leaders, chaired by the governor, energetically set about constructing the targets and indicators that have since become known as the "Oregon Benchmarks" (OBM).

The OPB's executive director, office manager, and a policy/research analyst immediately took on the first draft of the benchmarks. They examined a wide range of existing statistical sources for data relevant to the three goals, and organized some 279 selections under seven major headings (see Figure 1, previous page):

- Economic Performance
- Public Safety
- Education
- Social Support
- Community Development
- Civic Engagement
- Environment

A broad cross-section of community, business, and institutional leaders reviewed the first draft. So did every legislative committee. The OPB revised its work significantly and then issued the 1991 Progress Report. Widely distributed, this report became the basis for ongoing input from many quarters.

Inspired in part by this process, in 1992 the Oregon Business Council invested US$250,000 in a scientifically sophisticated and comprehensive study of the "Values and Beliefs of Oregonians." The results became an important reference point in subsequent refinements of the benchmarks.

The Values and Beliefs Study and the current draft of the benchmarks were expressed elsewhere in the United States and Canada - including B.C. What really set Oregon's statement apart is summarized in three critical statements about means:

- "Form institutional partnerships among groups that have traditionally operated independently or even antagonistically toward one another."
- "Invest in public facilities that directly affect business operations and costs and in services that enhance the quality of human environment, including schools, public safety and parks."
- "Contain costs of doing business through [state support contributions in such areas as] workers' compensation rates, unemployment insurance and energy rates."

These were extraordinary steps for any state government to take. They were a departure not only from Oregon's own past practices, but from the supply-side (largely rhetorical) vision statements expressed elsewhere in the United States and Canada - including B.C. What really set Oregon's statement apart is summarized in three critical statements about means:

- Economic Performance
- Public Safety
- Education
- Social Support
- Community Development
- Civic Engagement
- Environment

Making Waves, Vol. 12, No. 2
then packaged into a framework for use in 29 town hall meetings around the state. Over 2000 citizens made an electronic selection of the most important benchmarks. Every committee of the legislature then once again reviewed what was becoming a rolling draft. (See Figure 2, “Building the Benchmarks.”)

**EARLY APPLICATIONS**

In addition to the publication of the first Progress Report, two other developments in 1991 dramatically elevated the profile and importance of the benchmarks process. First, Oregonians elected a new governor, Barbara Roberts, who was an enthusiastic and articulate booster of the benchmarks as a tool for improving government performance. Second, the citizens approved Measure 5, the Oregon manifestation of the American tax revolt.

These events really got the ball rolling. In 1992, Governor Roberts was forced to cut the state budget by 20%. With the Progress Report in hand, Roberts told state agencies that they could win back budget appropriations by linking their priorities to the Oregon Benchmarks. In one fell swoop, every organ of government became attentive to the theory and emerging practice of benchmarking. (After a long hiatus, this linkage has recently been revived. An executive order of the current governor requires all agencies that receive government resources to establish organizational performance measures and link them to the Oregon Benchmarks.)

During this early period the OPB’s small but committed staff worked tirelessly to promote and explain the Benchmarks both in- and outside of government. Duncan Wyse, the first executive director, made speeches to over 23,000 people before his departure in 1995. Beyond a doubt, the remarkable place the OBM and the OPB have come to occupy in Oregon society is attributable in part to this level of activism.

**OREGON SHINES II: LEARNING FROM RESULTS**

In April 1996, the third Governor to preside over the evolution of the benchmark system, John Kitzhaber, created a second Oregon Shines Task Force. Its job was to work with the OPB to assess progress towards the Oregon Shines strategic vision and to recommend necessary changes. The time had come to reflect on the whole process in a way that would engage people state-wide in re-formulating the goals that would shape the next 20 years.

An extraordinarily thorough process of public consultation commenced. The Task Force distributed the benchmark data accumulated since the first report in 1991 as a basis for wide public reflection and comment.

The track record itself offered both good and bad news. (See p. 8, “Good News, Bad News.”) The good news was unequivocal. The overall thrust of achieving, by the year 2000, a transformation from an almost exclusively resource-based economy to one driven by the new high technology, globally competitive industries, had succeeded beyond any reasonable expectation.

Certainly, this was in part to extraordinarily strong and prolonged growth in the U.S. as a whole. However, Oregon had made an outstanding recovery relative to other resource-based regional economies, and led the whole country with respect to the extent of the transformation.

The bad news was hardly less blatant. According to the benchmarks, little or no progress had been made toward preparing all Oregonians to participate in the social and economic benefits of the new economy. Indeed, in some critical areas of quality of life and social infrastructure, the OBM indicators registered serious decline.

To summarize the results, the OPB issued a public “report card.” Where there was progress, the report card awarded an “A” or “B”; what was essentially un-
GOOD NEWS, BAD NEWS

The following are examples of targets and indicators reported on by the Oregon Progress Board (drawn from 1999 report). It was this kind of data, about what was working and what was not going so well, that gave the Oregon II Task Force food for thought with respect to the usefulness of the original “Oregon Shines” goals.

Within the “Economic Performance” cluster, an “A” letter grade went to the benchmark indicator “Attracting New Companies.” “B+” was awarded for progress in attracting the independent “Professional Services” so essential to high-tech business. However, none of the other benchmarks in this cluster achieved more than a “C.” One benchmark, that of “Employment Dispersion,” even received an “F.” While the new high-tech industries had evidently brought conspicuous affluence to the Interstate 5 corridor, the benefits had not migrated elsewhere. Indeed, OBM income data revealed that many counties experienced significant declines in family incomes over the same period.

Of course, some of the quality of life enhancing measures in the original strategic vision did benefit all Oregonians. For example, a high mark went to efforts to increase the ability of citizens to participate in private medicare insurance. (An important thing to accomplish in a country so committed to private health care.) Similarly, some (by no means all) environmental protection benchmarks indicated marked improvement.

The bad news was most telling in the data related to the social health of Oregon. Indicators of deep poverty all revealed worsening conditions over the decade of macroeconomic transformation: homelessness (D+), general crime statistics (F), juvenile arrests (F), use of illicit drugs (F), incidence of child abuse (F), families for whom childcare is affordable (F), incidence of elder abuse (F), urban congestion (F), availability of low income housing (D).

A SAMPLE OF THE OREGON BENCHMARKS

Benchmarks cut across economic, social, and environmental factors that Oregonians believe are most critical to their quality of life. There are seven major categories within which the benchmarks are lodged: economy, education, civic engagement, social support, public safety, community development, and environment.

Below are just three examples of the 92 benchmarks currently in use. The format of their presentation in the biennial reports is very helpful. The trend analysis related to the benchmark is presented first. This is followed by three sections, which help the reader understand why the benchmark is important, factors influencing the benchmark, and how Oregon compares to others. Finally, there is a section on what works and other sources of information. All in two pages or less.

Economic Benchmark: Example

Employment Dispersion: This relates to the percentage of Oregonians employed outside the Willamette Valley and the Portland tri-county area. For the year 2000 and the year 2010 targets of 26% have been set for the other counties in Oregon.

The state has been robust overall, but many of the rural areas have higher unemployment and slow growth. Reliance upon agricultural exports renders many parts of the rural economy susceptible to crisis elsewhere. The importance of rural economic diversification is highlighted by keeping this benchmark in focus.

Score in 1999 Benchmark Report – F

Social Benchmark: Example

Teen Pregnancy: Pregnancy rate per 1,000 females age 10-17. For the year 2000 the target is 15 and for 2010 it is 10. The 1997 rate was 18.9 per 1000 in this age group. This translates into 3,200 teen pregnancies and 2000 babies born to mothers below the age of 18 each year.

Teen pregnancy is seen as an important measure of the state social health. Research indicates that Americans who finish high school, reach age 20, and get married before they have a child have only an 8% chance that their child will grow up in poverty. Those who do not reach these three milestones before having their first child will face a 79% chance their child will grow up in poverty. Sons of teen mothers are more likely to run afoul of the law and daughters are more likely to become teen mothers themselves.

Score in 1999 Benchmark Report - C

Environment Benchmark: Example

Wetland Preservation: Percentage of wetlands in 1990 still preserved as wetland. 100% of Oregon’s wetland base in 1990 has been preserved. Small losses through wetland permitting processes have been more than made up for by voluntary restoration projects.

Wetlands provide multiple ecological and public benefits including habitat for plants and animals, reduction of flooding, maintenance of water quality and stream bank stabilization.

Score in 1999 Benchmark Report - A
changed received a “G”; and regression got a “D” or “F”

As a direct consequence of the benchmarks system – defining comprehensive targets and indicators, measuring them, and then reporting back – it was clear that Oregon’s “transformation” was actually in the direction of a dual economy. The attraction of high-tech industries had failed to “spin off” and “trickle down” into the benefit of the wider community as anticipated. While external investment in the new economy had exceeded expectation, internal investment in local community enterprise had all but dried up! There were few local sources of amelioration for the pockets of poverty and pathology resident in both rural towns and major cities.

These effects come as no surprise to anyone who has studied the actual consequences of global economic transformation, as opposed to theoretical projections. The gains posted in terms of conventional, macroeconomic indicators tend to be concentrated geographically, demographically, and sectorally. The same concentration holds true for the social repercussions of this change: displacement and marginality. The result has been, and continues to be, attenuation of the middle segment in the social-economic opportunity structure. The benchmarks bear out the cliché about how the global economy is making “the rich richer and the poor poorer.”

For the Oregon Shines II Task Force, there could be little doubt as to how priorities had to shift in the coming years. It described three new goals and directed the OPB to track the outcomes that would express them:

- quality jobs for all Oregonians
- safe, caring and engaged communities
- healthy, sustainable surroundings

This fundamental re-formulation of priorities introduced a whole new agenda in which the principles and practices of community-based development would be of major importance. The same Task Force Report also recommended removing a few benchmarks that did not produce useful insights and adding others that might reflect the new priorities.

The process of revision and refinement continues. Indeed, under the sponsorship of the Oregon Progress Board, scientists and a range of citizens have just completed a major review of the environmental benchmarks. The necessary revisions will form part of the 2001 Progress Report.

A FERTILE GROUND FOR COMMUNITY PARTNERSHIP BUILDING

The Oregon Benchmarks have had impacts at many levels. (The sidebar Oregon Business, Portland-Multnomah Progress Board, United Way of Columbia-Willamette, and The Oregon Option offer some examples). There have also been important new tools created that build on the positive effect of the Oregon Benchmarks on partnership development. These tools focus on using outcome-based planning (or “evidence-based” planning, as some call it) as a means of empowering communities to set their priorities and then shape the
way in which public and private resources address these priorities.

The revised Oregon Shines II priority concerning safe, caring, and engaged communities, motivated largely by the poor economic results in rural counties and a number of distressed urban neighborhoods, led the governor to enact “Community Solutions” legislation in 1998. The central goal of the legislation is to get key infrastructure related agencies to work together to shift their orientation from program delivery to solving community problems. Five key state agencies are compelled by the legislation to work with communities around the priority or problem they deem to be most important to their development. (See Figure 3.) In two years, nine Community Solutions Teams from the five key agencies have worked on 70 projects.

Community Solutions Teams have become the foundation for a second initiative: “regional partnerships” in which the Department of Economic and Community Development plays a leading role. Using the Oregon Benchmarks as the backdrop, key players from county and local governments, the private sector, and citizen-led non-government organizations are setting out to establish regional priorities and benchmarks to guide a more integrated effort to mobilize and focus resources at many levels. Figure 4 illustrates this innovative effort at regional partnership building.

There are other examples of benchmark applications that reveal impacts at the community and regional level. Notably, the entire benchmark approach has been adapted to the planning and decision-making framework that Tillamook County is applying throughout its jurisdiction. (See page 13, this issue.)

**SOME PROGRESS NORTH OF THE 49TH**

These applications of an evidence-based approach are beginning to find their way into the Canadian context. For example, there are some similarities between the Community Solutions Teams and the proposed B.C. Regional and Community Development Act. The B.C. Ministry of Community Development issued a discussion paper that called for an evidence-based approach to public policy in order to address fundamental inequalities in communities’ social, economic and environmental conditions. The paper received a lot of attention across the province.

More generally, recent projects undertaken through B.C.’s Round Table on the Environment, the B.C. Health Goals, and BC Stats’ work on local health region indicators all appear to be heading in a direction consistent with the outcome-based approach. Other work is also occurring nationally. One prominent example involves the Canadian Federation of Municipalities. It has been engaged in a Quality of Life Indicators project that aims to achieve better outcomes in 16 of Canada’s largest urban centres.

Many other initiatives are cropping up all over Canada, but they remain frag-
PORTLAND-MULTNOMAH PROGRESS BOARD

The vision and emerging practice of the OPB inspired the Portland-Multnomah County to form the Portland-Multnomah Progress Board (PMPB) in 1993. With assistance from the OPB, PMPB developed the means to identify, monitor, and report on an array of benchmarks (now 76 in number) that reflect issues of particular local importance: families, education, urban vitality, health, environment, governance, economy, safety, participation, and special needs. Roughly half are selections from the current roster of Oregon Benchmarks; the rest the PMPB has developed through various types of public input, surveys, and data from the Census Bureau and other federal sources.

In addition to biennial reports, PMPB undertakes detailed studies that act as a catalyst for action on the part of government, business, and community groups. Such reports as “Children’s Readiness to Learn,” “Educational Success for Youth,” and “Salmon Restoration in an Urban Watershed” have all helped the agencies responsible to develop better benchmarks and goals.

PMPB also works closely with city agencies in the adoption of performance outcomes for policy and management goals. The annual auditor’s report depicts “City Government Performance” in terms of established benchmarks and goals in the interests of making public servants and services more efficient, effective, and accountable.

What has it taken to make this work? Three things are critical. First, there is top-level leadership. Second, the system is understood as valuable and meaningful to the community and officials. Third, OPB has provided a source of technical assistance and support.

UNITED WAY OF COLUMBIA-WILLAMETTE

Two factors have pointed the United Way of Columbia-Willamette (UWCW) in the direction of benchmarking. The national United Way has been re-assessing policies and priorities. An increasing number of inquiries from financial supporters about the results of their investment impelled the national organization to explore outcomes-based accountability. An added incentive has come from Oregon’s huge, ongoing experiment in systems change through benchmarking. The United Way’s Portland office was therefore optimally located to structure a pilot program based on measurable outcomes.

The result is “Success by Six,” a program to support the well-being of children and families. It is directly linked to the school readiness benchmark, the “percent of children entering kindergarten who are judged to be ready to learn.” However, the overall goal is to co-ordinate partnerships, strategies, and resources in order to achieve optimal results. All the outcomes relate to collaborative partnerships between about 15 agencies, including four counties, which have established committees to co-ordinate resources, develop plans, and manage operations. In the three years since Success by Six hit the drawing board there has been marked progress towards several specific outcomes.

UWCW took roughly half its benchmarks straight from the OPB and has developed the rest with that Board’s support. Participants believe that adoption of the Oregon Benchmarks has improved communication and made it easier to form partnerships. Equally important, the use of benchmarks has meant that verifiable results are clearly defined and link directly to goals. Benchmarks also enable the UWCW to compare performance across its vast array of programs, sites, and partners.
“partner in problem-solving” rather than an administrator of fragmented programs that too often confound their intended purpose.

Really notable is the extent to which the benchmarks and their caretaker institutions and process have become integral to Oregon’s political culture. Schools and the police have articulated their own benchmarks as subsets to the Oregon Benchmarks. Private and voluntary sector organizations are framing their strategies and measuring their progress in a similar fashion. County and local governments have initiated their own benchmarking frameworks, all of them with direct links to the state-wide Oregon Benchmarks. And … the innovation appears to be broadening and deepening. The benchmarks are being used and adapted in so many settings that even the key leaders at the state level are no longer aware of everything that is going on. Clearly, the idea of outcome-based governance of public and private resources is slowly but surely taking hold in Oregon. It is now being adapted in Tasmania, in a parliamentary jurisdiction much like those of the Canadian provinces.

With some assistance from the former B.C. Ministry of Community Development, Cooperatives and Volunteers, the Centre for Community Enterprise (CCE) is organizing workshops involving leaders in a wide range of civic, business, and government interests in this province. The Ministry is supporting this project based on the results of earlier research into the relevance of Oregon evidence-based planning, particularly for community and regional development. It is also interested in exploring how to mobilize resources more systematically in order to address the social, economic, and environmental challenges facing B.C. communities.

**NEXT STEPS**

The workshops are already generating a great deal of interest. We anticipate this will grow with each event. We also anticipate that leaders from different sectors will agree that a made-in-B.C. adaptation of the Oregon Benchmarks deserves our serious attention. This summer, CCE will organize a meeting to discuss the merits of such an action. If warranted, we would then make preparations to take a common message to Victoria early in the autumn.

We are not starting from scratch. There have been initiatives over the last decade we can build on. However, they have had little discernible impact on the way we go about conducting our public, community, and private affairs. The lessons from Oregon are timely!

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MIKE LEWIS is executive director of the Centre for Community Enterprise, and SANDY LOCKHART and DAVID de MONTREUIL are respectively an associate and contractor of the same organization. For additional information, including this article and the Tillamook County case study in portable document format (PDF), visit the dedicated page “Oregon Benchmarks” at cedworks.com. If you are interested in organizing a workshop in your constituency, or require more detailed information, contact Mike Lewis directly (tel) 250-723-1139, (fax) 250-723-3730, (e-mail) ccelewis@island.net.

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**THE OREGON OPTION**

Even in their early years of implementation, the Benchmarks’ focus on outcomes became, in the words of Governor Barbara Roberts “a magnet for collaboration.” Her observation was reinforced unexpectedly by developments in distant Washington, D.C.

By 1993, Washington, D.C. was moving in a direction similar to those of Oregon. Both Democrats and Republicans were interested in more effective and efficient bureaucracy. They described a “new federalism” that would reduce the federal apparatus and place greater onus on states and localities to solve their own problems. To this end, President Clinton established the National Performance Review and appointed Vice President Al Gore as its head.

Early in 1994, at a major conference on the redesign of government, Oregon officials presented their benchmarking process. The feds were impressed. Between May and December of that year they formulated the “Oregon Option.” A Memorandum of Understanding between Washington and the Oregon state government called for the partners “to identify desired results and work together to achieve them, making an effort to eliminate barriers and create a new service delivery system with an emphasis on simplicity, coordination, and prevention.” It seemed that Roberts’ “magnet for collaboration” had drawn in a large partner.

While it did not live up to the expectations of many people (particularly on the OPB), this agreement did have an impact. Federal programs have loosened their financial strings. Federal agencies have reduced the regulatory burden, or even waived it given adequate performance measures. Local activists and county officials believe that the Oregon Option continues to be a key means for leveraging collaboration and coordination between federal and state agencies in relation to local initiatives (like that of Tillamook County). In the eyes of one person we interviewed, the Oregon Option has enabled local people to persuade reluctant bureaucrats that they now have the security necessary to act in new ways. After all, our contact affirmed, “they want meaning in their lives too.”
APPENDIX 6: THE COMMUNITY RESILIENCE MANUAL

APPENDIX 6: THE COMMUNITY RESILIENCE MANUAL

the COMMUNITY RESILIENCE Manual

A new resource will link rural revitalization to CED best practice

The origins of the Community Resilience Project lie in the dilemmas of residents of British Columbia’s small, resource-dependent towns, that is, places that owe their existence to harvesting, extracting, and processing natural resources like trees, fish, minerals, and farmlands. Battered by dramatic changes in markets, technology, environmental law, and the resource base itself, hundreds of these communities have found themselves presented with a stark choice: change or die. Some have died—abandoned by their people, especially the young. Many limp along on a hope and a prayer. A few, however, have bounced back.

In the face of increasing levels of social & economic volatility, an ability to assess & specify their level of resilience allows communities to identify areas of weakness, & select & implement strategies proven to target those difficulties.
making Waves, Vol. 10, No. 4

A Portrait of Community Resilience and set priorities for local action.

- A catalogue of best practices selected on the basis of their power to address six functions which CED experience indicates are essential to community economic well-being.

We have tested the model and data collection tools in five B.C. communities so far, and more will follow. Residents of the test communities have indicated that the “lens” of resilience evokes new insights and awareness of the link between the local economic, social, and political situation. As a result, new energy has been mobilized for CED and community action.

That being said, we also recognize that we have more to learn in order to ensure the Manual is as flexible, straightforward, cost-effective and meaningful as possible in a variety of rural communities. The following article summarizes its conceptual framework and process as an invitation to you to collaborate in the evolution of the Project, and its improvement and extension to other communities.

WHAT IS SO IMPORTANT ABOUT COMMUNITY RESILIENCE?

A resilient community is one that takes intentional action to enhance the personal and collective capacity of its citizens and institutions to respond to and influence the course of social and economic change.

As communities face increasing levels of social and economic volatility, they are having to adapt. The ability to assess and specify their level of resilience allows communities to identify areas of weakness, and select and implement strategies that have been proven to target those difficulties.

WHAT IS A NEW UNDERSTANDING OF RESILIENCE?

In order to assist communities in strengthening the level of their resilience, we have developed a new conceptual model. It starts with four dimensions:

- People: Residents’ beliefs, attitudes, and behaviour in matters of leadership, initiative, education, pride, cooperation, self-reliance, and participation.
- Organizations: The scope, nature, and level of collaboration within local organizations, institutions, and groups.
- Resources: The extent to which the community builds on local resources to achieve its goals, while drawing on external resources strategically.
- Community Process: The nature and extent of community economic development planning, participation, and action.

The dimensions are the main themes or core components of a community’s social and economic structure. They form a foundation for a detailed analysis of community functions and for the creation of a Portrait of Community Resilience.

“...This Tool framed things differently for us. The way the questions were asked & the way the data was presented triggered discussion that did not happen before. It showed us that we could have stronger communities by addressing the characteristics of resilience & taking a more holistic approach to CED.” (Nadina Community Futures)

“Even just being a participant in the research stage as one of the test communities we see the benefits. It has been a great reality check. Even for some of us with a long history of CED practice, the results have been instructive. It is a good educational tool & it produces results that can help strengthen communities.” (Revelstoke Economic Development Commission)
ADDING DETAIL TO THE MODEL - 23 CHARACTERISTICS

Each of the four dimensions is described in more detail by a series of characteristics of resilience. These characteristics are more specific than the dimensions. They are the factors that we can examine in a community to assess the level of resilience present. We can research and analyze them.

The characteristics in the model of resilience are not exhaustive. However, they have been chosen because they have proven to be strongly predictive in assessing resilience.

23 CHARACTERISTICS OF RESILIENT COMMUNITIES

People
- Leadership is representative of the community.
- Elected community leadership is visionary, shares power, and builds consensus.
- Community members are involved in significant community decisions.
- The community feels a sense of pride.
- People feel optimistic about the future of the community.
- There is a spirit of mutual assistance and co-operation in the community.
- People feel a sense of attachment to their community.
- The community is self-reliant and looks to itself and its own resources to address major issues.
- There is a strong belief in and support for education at all levels.

Organizations
- There is a variety of community economic development (CED) organizations in the community such that the key CED functions are well-served.
- Organizations in the community have developed partnerships and collaborative working relationships.

Resources
- Employment in the community is diversified beyond a single large employer.
- Major employers in the community are locally owned.
- The community has a strategy for increasing independent local ownership.
- There is openness to alternative ways of earning a living and economic activity.
- The community looks outside itself to seek and secure resources (skills, expertise and finance) that will address identified areas of weakness.
- The community is aware of its competitive position in the broader economy.

Community Process
- The community has a community economic development plan that guides its development.
- Citizens are involved in the creation and implementation of the community vision and goals.
- There is on-going action towards achieving the goals in the CED Plan.
- There is regular evaluation of progress towards the community’s strategic goals.
- Organizations use the CED plan to guide their actions.
- The community adopts a development approach that encompasses all segments of the population.
Using the Model of Resilience

The Community Resilience Manual uses the concept and model of resilience to help communities through a structured and focussed process of prioritizing and planning. This is a 3-step process.

Step 1: Draft a Portrait of Community Resilience

Data collected for each of the 23 characteristics is documented and analyzed in a Portrait of Community Resilience. Resilience is not static. It changes in relation to internal and external stresses. So the Portrait is important as a way to identify current resilience strengths and weaknesses, and then to track change over time.

Collection of data is streamlined by using indicators that specify exactly what information is needed. Indicators associated with each of the characteristics are included in the Manual. They have been selected because they have proven highly predictive of the characteristics and because they represent information that is relatively easy to access.

The model uses both quantitative indicators (such as population data from a recent census) and qualitative indicators (such as surveying people’s perceptions) to identify the extent to which each characteristic is present in a given community. Section Two in the Manual presents a variety of tools and options for collecting this data.

Step 2: Use the Portrait to Establish Community Priorities

The Portrait provides a new perspective on the social and economic structure of a community. Analyzing it can help communities to gain new insights into factors that can increase their capacity to adapt and influence the course of change.

The Manual describes a decision-making process which helps communities to further analyze the significance of the Portrait to their community resilience. The decision-making process suggests ways of involving community members, applying their insights and knowledge and prioritizing resilience weaknesses. The result in all test communities has been one priority that, once addressed, will significantly increase the community’s ability to take intentional action to strengthen its resilience.

Step 3: Select Appropriate Strategies & Tools

Once community priorities have been established, it is time to decide what actions a community can take to best improve its resilience. The Community Resilience Manual includes a detailed catalogue of a wide range of promising strategies and tools.

The Catalogue has been created by gathering information about community economic development “best practice” from across North America. Described in detail are strategies and tools, who applied them effectively and how, together with contact information and additional recommended resources.

All address one or more of the six functions essential to community economic well-being:

Access to Equity Capital

The extent to which reinvestment of capital is influenced or controlled by a community affects its ability to influence economic development. Its absence, or the flow of capital from a community, is a major factor in the decline of a community economy. In resource-dependent communities, this can also be influenced by securing greater control over the local resource base.

Access to Credit

Without access to credit, enterprise development is impossible. In communities under stress, traditionally risk-averse, conventional sources of credit tend to dry up. Creating sources of credit that are locally owned and controlled, or are influenced by the community is critical to long-term community survival.

Building Human Resource Capacity

Capacity for intentional action depends on vision, participation, and the skills of local people. It is critical to the creation of new initiatives, whether they concern social, economic, or entrepreneurial development.

Capacity for Research, Planning & Advocacy

Active, on-going research ensures that planning is informed and that local interests can be represented to decision-makers within or outside the community.

Creating Partnerships Within & Outside the Community

Strategic, targeted networking and partnership development focuses on strengthening relationships to solve problems, to create new opportunities, and to mobilize community and outside resources to address local priorities.
Infrastructure
While streets, sewers and buildings are typically in the domain of the City Planner and the City Engineer, it is important to link infrastructure planning to the community’s vision and goals.

The Catalogue entries (34 in the current draft; closer to 60 in the coming first edition) represent the actions which communities have taken to address these functions. The chapter entitled “Designing Financial Strategies,” for instance, includes explanations and examples bearing on access to equity and/or credit:

- community development loan funds
- community equity investment funds
- community foundations
- community revolving loan funds
- comprehensive development finance institutions
- equity match-making
- individual development accounts
- loan guarantee programs
- business incubators
- entrepreneur network facilitation
- feasibility studies support
- community-owned venture development
- co-operative employment partnership
- joint ventures
- nonprofit enterprise development
- outside entrepreneurial recruitment
- worker-ownership
- business visitation/mentoring
- early warning systems
- succession planning and worker buy-out

To the maximum extent possible, the examples are taken from Canadian small town experience.

CONCLUSION
The Community Resilience Manual will not replace, but rather enhance whatever planning process a small town is currently using. Communities involved in the field testing identified a number of benefits to their local economic development planning process. They reported that the process described by the Manual gathered new information about local attitudes and organizations, and provided a framework for local decision-making and priority setting. Participating communities were also impressed with how the process engaged a broad cross-section of the community in thinking about resilience and its economic impact, and in this way created new energy for local initiatives.

This collection of resources is neither a quick fix nor a mere research methodology. Instead, it opens up a way of thinking and helps focus community dialogue on key aspects of healthy community functioning that seldom find their way into a community strategic plan. The resources provide communities with a means to systematically strengthen their capacity to steer towards the future which they choose.

The Community Resilience Project Team comprises six Centre for Community Enterprise staff, associates, and affiliates: Michelle Colussi, Mike Lewis, Sandy Lockhart, Stewart Perry, Pippa Rowcliffe, and Don McNair.
APPENDIX 7: “FACING FACTS: THE RECOVERY OF FIRST NATION SELF-RELIANCE REQUIRES BUILDING LOCAL ORGANIZATIONAL CAPACITY.”

APPENDIX 7: “FACING FACTS: THE RECOVERY OF FIRST NATION SELF-RELIANCE REQUIRES BUILDING LOCAL ORGANIZATIONAL CAPACITY.”

FACING FACTS

The recovery of First Nation self-reliance requires building local organizational capacity

Despite the fact that many aboriginal communities are geographically positioned in areas of economic opportunity, many can be said to reflect the characteristics of “underdeveloped” economies. Why? In economic terms, when contrasted with more “developed” economies, the majority of aboriginal communities face five stark facts:

1. In the last 100 years First Nations have been controlled by and become dependent on outside political and economic systems. These systems operate in relation to the mainstream economic interests. For example, an outside forest company harvests timber from a reserve (or traditional territory), or a bank gladly receives aboriginal deposits, but does not re-invest them in the aboriginal community. Historically, First Nations have had very little influence over those making the decisions which significantly affect their local economies. This economic exclusion and resulting dependency contributes to the poor social health of many communities.

2. Economic resources are few and relatively low quality. (There are exceptions.) This simply means that the labour, expertise, capital, land, and raw materials accessible to aboriginal communities is at a disadvantage relative to the mainstream economy.

3. Economic activity in major sectors of the economy - agriculture, resource extraction, manufacturing, construction, service industries, transportation, and marketing - generally proceeds at a small scale, if at all.

4. The local economic base is not diverse and little exchange takes place between those areas of economic activity which do exist. In better developed economies, the various sectors exchange goods and services. (For example, agriculture requires machinery, fertilizer, various tools, energy, and services ranging from transport to finance.)

5. Most aboriginal communities by and large consume more than they produce, so little by way of capital savings is available for economic development. As long as this condition lasts, the internal means to invest in economic development are lacking.

These five factors converge to create a powerful economic trap. The consequences of this trap are more than economic (i.e., material poverty). Its social and cultural consequences have been pervasive and debilitating.

Clearly, the struggle of aboriginal peoples over the last 25 years to transform
Community-based Resource Development & Stewardship

their relationship with Canada has achieved some important gains. However, there are few aboriginal leaders who would deny that if progress is to be sustained, economics matters. In the context of aboriginal goals and aspirations, empowerment and local economic growth must go together if success is to be realized over the long term.

It is therefore not surprising that virtually all aboriginal people believe that it is critical to build an economic base. A second goal, equally important and intimately related to this, is to build the health, knowledge, and skills of the people. Given the realities of underdevelopment, reaching these goals is a major challenge.

The institutions important to economic development in Canadian society (banks, training centres, investment firms, business support systems, among others) have developed over a long period of time. Historically cut off from these "mainstream" institutions because of legal and other barriers, economic development in most aboriginal communities has been slowly evolving only since about 1980 (although there are examples that precede this). Indeed, much of the aboriginal institutional base we see today, such as aboriginal capital corporations, native colleges, community development corporations, etc., did not exist before 1985 in B.C.

In the absence of a well-developed set of institutions, the initiative to generate economic growth has fallen to First Nation governments. But as First Nation leaders know, the responsibilities faced by local leadership are many and the resources are often scarce. In this context, the capacity to organize, mobilize, and direct an array of resources within the community - or outside the community, in co-operation with external businesses and institutions - is crucial to the building of an economic base. The most successful aboriginal development organizations reflect these capabilities.

This is in line with the results of the Harvard Project on Economic Development which said:

"...we are convinced that, of those obstacles that Indian nations themselves can directly effect, the institutional one is paramount. Generous resource endowments, human capital, and access to financial capital will be virtually useless if tribes are incapable of making collective decisions and sustaining collective action, and if they lack the institutional structures necessary to maintain a hospitable environment of human and financial investment."

CURRENT PERSPECTIVES ON ECONOMIC DEVELOPMENT

CED differs from most other approaches to economic development. Why? Because it explicitly recognizes the central importance of gradually building the capacity of aboriginal institutions and development organizations. This assumption challenges other prevailing perspectives on how to address the problems of distressed communities.

The Macro Perspective

The macro-economic perspective has a primary focus on the productive and expanding sectors of the economy. The freedom of capital to seek its highest return is seen as the best and final factor in determining where investment should flow. Likewise, people should flow to where the opportunities are.

CED challenges this perspective at two levels. First, in many regions of the country, aboriginal communities have existed and continue to exist where capital has flowed. However, the local community is in most cases not organized to capture any of the economic benefits. Secondly, the argument that labour should follow "poles of opportunity" flies in the face of the experience of the last 25 years. Just where are people to go? The poverty of aboriginal populations that have moved to Canada's urban centres makes it plain that moving people around is not a viable policy option.

The Industry Recruitment Perspective

Economic development and regional planners who favour this perspective work to attract private capital and business to their own areas and thus stimulate the local economy. Time, talent, and dollars are focused on building incentives and support for business recruitment.

Some aboriginal communities have used this strategy. For example, they have developed industrial parks and then worked to recruit businesses in order to generate revenue and jobs from the park's leaseholders. The hope is that benefits will "trickle down" to local businesses and to the unemployed. Unfortunately, the consequence of this "landlord" approach has all too often been that the majority of native residents become second-class citizens in their own communities.

The CED approach does not deny out of hand the possible usefulness of attracting business. However, within a CED approach this would be only one part of a more comprehensive strategy. In particular, partnership opportunities should be actively pursued to the extent that they increase aboriginal ownership of economic assets and promise a systematic, socially beneficial, and culturally consistent approach to local job creation and training. Research reveals that if these local interests are not clarified, First Nation co-ventures often produce local costs that far outweigh local benefits. Thus, without the capacity to conceive and implement a community-based strategy that integrates these additional functions, a typically Third World paradox applies, to wit, "the more one gets developed the more underdeveloped one gets."

The Corporate Perspective

Corporate business is interested in development too - their own being their pri-
mary concern. Essentially, companies observe the economy from their place of business. They strive to reduce risks and to maximize opportunities to generate profit. From a corporate perspective, the problems of distressed communities represent risk. Traditionally, corporations operating in and around aboriginal communities, particularly those dependent on primary resources, have sought either to ignore them or to offer jobs to those qualified to work. When the company leaves, little is left behind.

CED recognizes that businesses are crucial to building an economic base. But it does not depend on outside businesses to solve the problems of underdevelopment. Rather, CED strategies oblige outside business to take the community interest into account. Agreements and partnerships are negotiated that put the community in a position to capture the widest array of benefits possible, including profits, management influence, jobs, training, and sub-contracting benefits. But none of this is possible if the community is not organized or lacks the capacity to assert itself strategically and then implement agreements. Where that capacity is present, the results can be very positive, for the community and the corporate partners.

The Minority Enterprise or Small Business Perspective

In contrast to the three perspectives above, the minority enterprise or small business strategy is sometimes put forward as the “trickle up” approach. It suggests that the key to revitalizing communities in difficulty is to increase the number of small businesses owned and operated by low-income or minority residents. How to stimulate and support the evolution of aboriginal entrepreneurs is the focus of programs that support this strategy. There is an inherent faith that if the problems of individual businesses and potential entrepreneurs are addressed, the local economic base will be repaired.

CED finds this strategy insufficient. While small business development can be an important part of a CED strategy, this element in itself is inadequate to the problems of underdevelopment shared by most aboriginal communities. In short, if the First Nation does not have the knowledge, skills, and resources to create an environment supportive of development, it is unrealistic to expect small businesses to flourish. Small businesses do not and cannot function in a vacuum. The physical, social, cultural, and economic factors in a community’s life have a huge impact on the ability of businesses to multiply and grow. To ignore this fact creates the basis for failure.

COMMUNITY ECONOMIC DEVELOPMENT: THE PREFERRED APPROACH

Certain questions also need to be posed in order to understand why CED is the preferred approach to economic development.

- How can the critical decisions associated with identifying, screening, and planning businesses be made if no community-based organization is capable of strategically managing the venture development process?
- How can joint ventures be negotiated with other Canadian businesses if there is no community-based strategy for doing so and little or no experience in negotiating, structuring, and managing joint venture partnerships?
- How can the self-esteem, literacy, and skills needed for local and regional job opportunities be built if little community experience and few community resources are available to plan and implement a human resource development strategy?

All of these issues are central to creating strategies that can build an economic base. Simply put, if a dedicated community organization is not in place which can address these needs, development will not happen. By making local capacity-building the ultimate focus, CED addresses the central challenge of underdevelopment. This is the case whether the context for CED is a poor, urban neighbourhood or a rural community, whether it is aboriginal or non-aboriginal. Community economic development:

- recognizes the entire community to be disadvantaged, not just individual residents.
- develops and strengthens community-based economic organizations that are 1) accountable to the community, 2) able to establish priorities and target opportunities, 3) able to co-operate with outside business and governments to maximize community benefits, and 4) able to manage the overall development process.
- targets and invests in businesses to increase the level of aboriginal ownership in the economy. This is aimed at capturing profits, management development opportunities, jobs, and training benefits. Ownership is organized to ensure a local basis for investment and re-investment in the wealth-generating assets necessary to build and sustain an economic base.
- works to improve the local development environment for business - the skills, attitudes, organizations, and services which support business investment and operations - in a manner that accounts for the social, cultural, and physical factors which influence that environment.
- encourages the creation of jobs and businesses which improve local productivity and which reduce dependency on governments and/or single industries.
- respects cultural values when shaping community direction and choices and indicators of success.
- recognizes that social and economic development go hand in hand. Without one or the other, enduring development cannot be fostered.
Perhaps now the definition of CED can be meaningfully revisited. The long, wordy version is this:

“Community economic development is a comprehensive, multifaceted strategy for the revitalization of community economies, with a special relevance to communities under economic and social stress. Through the development of organizations and institutions, resources and alliances are put in place that are democratically controlled by the community. They mobilize local resources (people, finances, technical expertise, and real property) in partnership with resources from outside the community for the purpose of empowering community members to create and manage new and expanded businesses, specialized institutions, and organizations.”

The short version, tailored to the aboriginal context could be:

“CED is a comprehensive strategy aimed at building accountable, community-based organizations which effectively manage and capture economic and social benefits for the community through a development process aimed at building an economic base.”

**Capacity-building**

There are many within government & in the aboriginal community that think “capacity-building” is an overused term. It may well be overused; but it seems seldom well understood, at least with respect to the economic development of communities.

At the most basic level, “capacity” refers to the ability to get things done. Therefore, capacity building can be defined as the equipping of organizations with the resources, skills, and systems required to get things done. Given CED’s central focus on building organizations able to play central roles in building the aboriginal economic base, capacity-building is a crucial concern.

Research and experience shows that success of organizations involved in CED is linked to the following six organizational criteria:

- A long-term development strategy that shapes the mission of the community economic development organization (CEDO) and guides its program development and operations.

There are many within government & in the aboriginal community that think “capacity-building” is an overused term. It may well be overused; but it seems seldom well understood, at least with respect to the economic development of communities.

- A broadly-based and active board that effectively links the CEDO with the community and its wider environment.
- Competent staff, possessing leadership and managerial abilities that match the scale and complexity of the CEDO’s mission.
- An ability to establish and maintain effective community relations, including communications with key interests in the wider environment.
- Adequate and predictable core funding.
- An ability to attract and use technical assistance to increase development management capabilities and make competent program and organizational decisions.

Communities, aboriginal and otherwise, that have been in a perpetual state of underdevelopment and stagnation obviously cannot be expected to meet these criteria immediately. Aboriginal communities are typically weak in three areas that keep the economic trap operating: 1) a lack of infrastructure and business development, 2) weak labour force attachment, and 3) organizations that are inexperienced in economic development.

In the first instance, planners and decision-makers should be concerned with the “end products”: visible material changes and business deals. In the other two instances, First Nation institutions and residents must increase the prevalence of attitudes, skills, and expertise that underpin a drive to build an economic base. This broadening of individual and organization capacity is both a process and a product, that is, people gain skills and experience by first-hand participation in making the changes necessary.

Unless both the material and human/institutional dimensions are addressed simultaneously in CED, there will never be self-sustaining development that breaks the economic and psychological dependency of underdevelopment. However, there is an inherent tension in concrete development projects which at the same time involve residents who lack skills and know-how.

Within the scope of this paper, it is only possible to describe more fully the elements of “capacity” which have been identified in successful CED organizations.

**A Development Strategy**

Among the most important elements of CEDO capacity is adherence to a long-term development strategy. Without it, CEDOs tend to drift from one opportunity to the next, making their efforts diffuse and ineffective. Some of the possible strategies pursued include the following:

- **Asset control:** a strategy whereby the
CEDO directly acquires land, buildings, and other facilities in the community; giving community residents a greater ability to participate in and shape future development.

- Business venturing: a strategy in which the CEDO seeks to establish and control business ventures, assist private entrepreneurs, or spin off consumer- or employee-managed organizations in order to create jobs or wealth.
- Financial institution-building: a strategy for mobilizing savings and assisting in creating pools of capital in order to finance local development activity.
- Human resource development: a strategy that focuses on systematically building the “people” resource to take advantage of opportunities in the community and broader labour market, including jobs generated by other economic development strategies.

There can also be mixes of these strategies undertaken. Here are just a few examples.

Kitsaki Development Corporation, owned by the La Ronge First Nation in Saskatchewan, has used asset-building strategies and business venturing (direct ownership) to position themselves as a key player in the province’s northern economy. Using joint ventures as the main strategy, they have moved from a couple of faltering ventures in 1985 to having 13 ventures in key sectors of the regional economy. In 1991 they generated almost $18 million in sales. About 500 jobs have been created, 60% of them filled by First Nations people. KDC has created the basis for supporting its own core operations and is accumulating a capital base for re-investment. It also has an ongoing training component which is continuously focused on preparing people for the jobs that have been created.

Dana Naye Ventures (DNV), a Yukon-based aboriginal capital corporation, has used support from the federal government to amass a $7.3 million capital base from which it runs a lending program to individually- and community-owned businesses. It provides some technical assistance in addition to credit. Interestingly, having established an “almost self-sufficient” base for its lending operations, DNV has managed to start to develop its capacity for equity investment. It currently has $600,000 in capital, some of which it has already used to purchase assets (its own building) and is seeking opportunities for equity investment in joint ventures.

In B.C., the Nisga’a Economic Enterprise Corporation (NEEC) spent 15 months working out its long-term strategy, a process which included training of board members of the tribal corporation as well as staff and board members of four community-based corporations. In the process they targeted some joint venture opportunities, one of which was concluded shortly after completion of the training/planning process. From the first year profits they were able to capitalize their tribal corporation, to provide a secure base for operating funds, and to create a revolving loan fund (see Tools, Strategies, Structures, pp. 49-50).

Since 1987, the Duffield First Nation in Alberta, has moved from being a community dominated by welfare dependency, substance abuse, and suicides (6-7 a year, 1983-87) to a community systematically generating opportunities for social and economic development. It started with a small group (which included the core members of a new Band council) who wanted help for substance abusers and a long-term solution to dependency. From there, a systematic strategy was developed, beginning with people development and subsequently radiating out to create a wide range of opportunities.

Four priorities guiding the strategy: immediate help for people with problems; support and training for staff who were burnt or burning out; programs to increase the general skill/education level of adults; and training and technical support to chief and council to increase management skills. These priorities, combined with a comprehensive assessment of community needs and assets and training plan development, created a framework and plan for long-term investment in people.

Duffield’s results have been dramatic. Substance abuse is steadily declining. There have been no suicide or violent deaths for four years. Welfare roles declined from 85% to 64% and 150 adults have been involved in training (including community-based lifeskills programs). Housing and safety standards have improved. The unemployment rate is 35% and declining, and seven businesses have been successfully established. Over $2 million in community assets have been secured and - a crucial indicator - young people are returning to Duffield to work and to raise their families.

An Active, Balanced Board

The board provides the most effective and direct means for active participation by community residents in CED efforts and is a critical ingredient of the CEDO’s credibility. Successful CEDOs have managed to assemble a board whose members represent major community interests and also possess a range of skills that support a CEDO’s development goals.

Equally important are on-going efforts at board training and development that help the board to effectively discharge its responsibility to set the overall direction of the CEDO. As the operations of the CEDO become more complex and financial responsibilities grow, the CEDO’s success will depend on the willingness and the ability of the board members to take on more responsibility as policymakers.

The Dana Naye Ventures board is a good example of a mix of people from Yukon’s First Nations and business community who, together with a number of
professionals, create a balance of representation and skills important to DNV’s effectiveness.

The Nisga’a case illustrates well the importance of appropriate training and technical support to the board. Although they had been legally constituted for some time, little happened until they became actively engaged in a process of planning and decision-making that put in place a strategic mission, goals, operating procedures, etc.

Competent Staff
Research and experience indicate that a well-organized, skilled staff working under strong, competent leadership is crucial to a CEDO’s success. A problem in B.C. and Canada is that experienced development managers are not easy to come by. Managing processes that involve community organizing, political management, and business and human resource development is a complex task. Often, experienced development management staff must be recruited from outside the local community.

However, staff competence should be measured against the scale and complexity of the CEDO’s actual goals. Staff competence, like board competence, can grow through learning on the job. If some board members have very strong skills, new skills can be transferred to staff members on the job. In addition, technical support from the wider community can assist in a number of matters. Outside support should always be structured to maximize its impact on staff and management development.

Kitsaki Development Corporation had been floundering for four years before they recruited a suitably qualified general manager. The results of the next five years - 13 businesses, 500 jobs, and an organization able to pay its own way - returned the public investment many times over. This would not have happened without competent staff.

Dana Naye Ventures, for its part, has used a very experienced lender as its CEO since its inception. NEEC has a Nisga’a general manager with an academic background in economics. He worked as the economic development advisor to the tribal council for over five years and was well-positioned to take on the job. He uses a variety of other outside resources as required to assist in making the NEEC an effective organization.

In Duffield, outsiders were initially hired as life skills coaches and up-grading trainers. In addition to their duties, they assisted in securing the resources to hire two full-time people to manage the overall human resource development process. These were outside people at first, but as progress was made, candidates emerged who were trained to assume control of the management.

Effective Community Relations
A critical responsibility of a CEDO’s board and staff is to maintain extensive communications links, not only with the CEDO’s own community but with key business and government leaders - people whose support or resistance can have a dramatic effect on the organization’s effectiveness. The more successful CEDOs have managed to establish productive working relationships with business and government leaders. In the absence of an accessible network of institutional power-brokers, emerging CEDOs find it difficult to establish the relationships they need to become effective developers.

Kitsaki is a prime example of effective community relations. Through its board structure, which ensures key parts of the La Ronge First Nation are represented, the long-term strategy has been kept on track. Resistance to the idea that “everyone who is a Band member is entitled to a job” is not easy. But with good representation and clear policy, it can be withstood. In other words, good communications based on clear goals and policy is crucial to the political management of the development process.

Networking with outsiders, the other part of the equation, has been a fundamental part of Kitsaki’s success. The competence of the general manager combined with the political strength of the

BUILDING ORGANIZATIONAL CAPACITY
Successful CEDOs have 6 organizational features.
board has been constantly used to position KDC to invest in the best opportunities in each of that region’s key economic sectors.

**Stable Core Funding**

Perhaps the most critical problem of emerging CEDOs is the unpredictability of funding for core management and administrative costs. As a consequence, CEDOs spend inordinate amounts of time seeking core funding, rather than building the organization and its work. It is a serious obstacle to successful community-based development.

In the case of Kitsaki, they were able to receive four years of core funding under the Federal-Provincial Northern Economic Development Agreement. Because they were operating in an opportunity-rich region, they were able to generate sufficient venture activity to cover costs thereafter.

In the case of DNV, they have had (and continue to have) core funding under the Business Development Centre Program and some additional core support through the Aboriginal Capital Corporation Program. Since their primary function is lending and main revenue source is interest, they are just now getting to a point where financial self-sufficiency is even close to being realized, given the long decline in interest rates. They estimate that $10 million in debt capital is what they need to provide the income base required to meet their Yukon-wide mandate. Without core support they would have gone down long ago.

During their early development phases, the Nisga’a were able to staff some of the required functions by using funds received for the economic development officer lodged in the tribal council. They then funded the 15-month process with training resources secured from what is now known as the Pathways Program.

In Duffield’s case, the initial steady funding came from program delivery. The coaches and trainers helped get the money for core management positions to ensure that the overall process could be maintained and expanded.

In the last four years, reserve-based economic development has had some core support by virtue of the Indian Affairs portion of the Canadian Aboriginal Economic Development Strategy (CAEDS). For many communities this has provided the first “stable core funding” dedicated to economic development.

However, Ottawa’s cut of 28% from this program’s 1993 budget puts into question the federal government’s long-term commitment to this critical support. Definitively, aboriginal leaders and the province should press the federal government to continue to provide these “core resources” wherever they continue to be necessary.

**Effective Use of Technical Assistance**

Because of the complexity of CED projects, all CEDOs must learn to use external technical assistance effectively. Emerging CEDOs tend to operate with little or no formal management assistance or training. Many are unaware of or ignore the manuals and training materials available on venture development, organizational policy, and other topics. The more successful CEDOs have demonstrated an ability to identify and work with outside experts who provide assistance in areas such as planning, project development and packaging, business planning and due diligence, and management information systems.

Technical support tailored to the developmental needs of CEDOs is often ignored by government support agencies. The problem is that lack of experience and limited contact with qualified technical assistance providers can also contribute to a CEDO’s failure to take full advantage of outside technical resources.

All four of the organizations cited were (or became) expert at using outside resources. KDC used outside people continuously for major feasibility, business planning, and due diligence assignments. DNV used outside resources for assistance in board development and strategic planning. The Nisga’a relied heavily on outside training and technical assistance during the development phase. Duffield used technical assistance at the assessment and planning stages and have, in addition to outside staff, used technical assistance to support implementation and evaluation. Since they have moved into business, outside technical support has been used in a wide variety of ways.

**Concluding Comments**

Community economic development is the preferred strategy for building First Nation self-reliance for several reasons:
- CED provides for building local capacity which is accountable to the community.
- CED provides a local basis for re-investment aimed at building an economic base.
- CED is a cost-effective strategy capable of integrating asset-building, training, and job creation.

CED is explicitly concerned with the attainment of social goals through business and economic development investments. Social and economic development are intimately related in practice. This practical integration is critical to successfully initiating and sustaining a development process which can address the persistent conditions of underdevelopment.

Other approaches have not worked, nor will they if pursued in isolation. CED, by building organizations appropriate to the conditions and opportunities of any particular community, neighbourhood, or region, is the most promising route to building more self-reliant aboriginal economies.

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