



Making the Grade:

a Guide to Success for

Corporate - Aboriginal Initiatives

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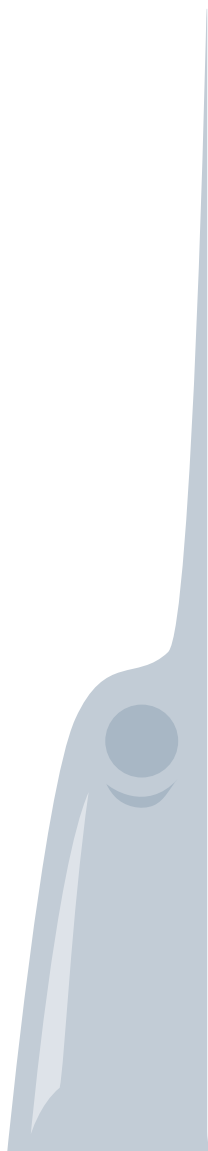
Industry Council for Aboriginal Business

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Making the Grade: A Guide to Success for Corporate-Aboriginal Initiatives

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Executive Summary

Making the Grade was commissioned by members of the Industry Council for Aboriginal Business to assist Aboriginal and non-Aboriginal business with developing and building effective relationships by drawing from the experiences of successful initiatives in British Columbia and Yukon.

First Nations in British Columbia and Yukon are creating economic development infrastructure at a rate not seen until recently. This can be explained, in part, by the pace and extent of treaty and land claims processes, increasing education attainment levels of Aboriginal youth and similar findings from applied community development research in indigenous populations elsewhere in North America and abroad. At a time when First Nations are asserting their nationhood, economic development becomes crucial to their ability to institute effective mechanisms of governance. They are increasingly approaching corporations to partner with them so they can acquire the expertise and resources needed to create business success for their communities.

New for British Columbia and Yukon is the proactive planning and engagement by First Nations in taking the reins of their economic development. Most of the First Nations in this study pursued development goals that fit their aspirations, strengthening the fabric of their unique communities.

At the same time, many corporations are becoming more skilled at working with Aboriginal communities and organizations, and are pursuing a broader array of objectives, such as access to employees and markets. In situations where corporations seek access to land, water and resources in areas of interest to First Nations (rights/title), case law and government policies are continuously raising the level of engagement required of business.



Sixteen joint corporate-Aboriginal initiatives form the basis of the findings in this study. The eight listed below are profiled in detail in the main report. The remaining initiatives are described in Appendix C.

1. Resource Business Ventures (Lil'wat Nation (Mount Currie)/CRB Logging)
2. Skilled Trades Employment Program (Khowutzun Mustimuhw (Cowichan)/BC Construction Association)
3. Upnit Power (Hupacasath First Nation/ City of Port Alberni/Synex International/ Ucluelet First Nation)
4. Haida Environmental (Haida Nation/ Golder Associates)
5. Ts'aa7ukw (Ditidaht First Nation/ Hayes Forest Services)
6. N'kmip (Osoyoos Indian Band/ Vincor International)
7. Kaska Minerals Corporation (Ross River Dena/Teck Cominco)
8. Destinations Aboriginal Careers in Tourism (ACCESS/Destinations and GT Hiring Solutions)
9. Tin Wis Resort (Tla-o-qui-aht First Nation/ Best Western Hotels)
10. Eht'oni Drilling Rig (Fort Nelson First Nation/Ensign Drilling)
11. Takaya Developments (Tsilil-waututh First Nation/Kuok Group)
12. Eagle Rock Minerals (Hupacasath First Nation/Polaris Minerals)
13. Khowutzun Development Corporation (Cowichan Tribes/Terasen Gas)
14. Petroleum Employment Career Training Program (Doig River First Nation and Fort Nelson First Nation/Petro-Canada and other petroleum producers)
15. Aboriginal Employment Participation Initiative (Metis Provincial Council/ Province of British Columbia/Royal Bank)
16. Lund Hotel (Sliammon First Nation/Dave Formosa Holdings)

The objectives of the parties in these partnerships flow mostly from the broad drivers of nation-building, economic development, predictable/stable business environments and access to markets and employees. In 13 of the 16 projects, the Aboriginal businesses initiated dialogue with corporations on their development ideas. Their most common objectives were to re-establish a management role in land, water and resources; generate revenues/profits; acquire business expertise that they are lacking; and access capital. Some First Nations also saw the potential of these partnerships to create an anchor for their community economic development plans—providing markets for spin-off service companies related to the core business and using profits to finance new business ventures. Corporations saw opportunities to build deeper relationships with First Nations that could withstand the inevitable issues that arise in business; increase business volumes and/or market share; and develop local suppliers and labour pools.

Decision-making processes generally follow a similar pattern. In situations where the parties have established a working relationship, the partnership ideas tend to emerge over time. Commercial agreements can take the form of a letter, contract or joint venture and normally specify the capacity measures to be addressed (training, mentoring, employment, spin-off business) within the agreement. Where a prior relationship did not exist, the First Nation and the corporation often negotiate protocol or socio-economic benefit agreements at a political level before moving the initiative to a straight business model. Most joint ventures and contractual agreements are managed by a board of directors or a joint committee representing the parties, which meets regularly to receive reports and provide direction to the business.

Successful corporate-Aboriginal partnerships employ the expertise of skilled and respected business people to navigate the two cultures and manage the “bumps” that they will inevitably encounter. These experts ensure that due diligence is performed and that the business agreement provides a clear mandate that includes roles and responsibilities. Aboriginal businesses must be prepared to assume risk to ensure they will invest the time and care required to make the business a success.

An important factor in corporate-Aboriginal partnerships is the role the community plays in decision-making. The long separation of First Nations from the mainstream Canadian society and economy has created conditions that do not foster understanding or affinity for business. Only with sustained efforts and leadership can community consensus be achieved for making what appears to them a leap of faith into a new arena. Decision-making models in Aboriginal communities build on community consensus about long-term goals and the role that business development plays in achieving the vision. The First Nations in this study that have successfully partnered with corporations created an environment that encourages investment: they provided clear mandates and objectives that contribute to community goals, and at the same time protected business from political interference. This is often achieved either through the creation of an economic development corporation governed by a board of directors or through the commitment of strong community leadership.

Corporations in this study that succeeded in partnership with Aboriginal businesses strove for alignment of objectives and provided tools to their employees, such as cultural awareness, creativity, resources and time. Corporate involvement directly in the Aboriginal community is essential for building and maintaining support for the business. This is perhaps the biggest challenge for corporations that are contemplating partnering with an Aboriginal business. Understanding the nature of the community and aligning the corporation's practices to the objectives of the partnership are time intensive. They require a level of personal involvement by employees not normally demanded by corporate-to-corporate ventures.

Most of the partners in this study realized their initial objectives. Aboriginal businesses and First Nations reported increased revenue, human resource development, development of business and technical expertise and a role in managing resources. Corporations achieved increased access to labour, services and business opportunities. They also found a predictable and optimistic business environment resulting from mutual respect and trust. Importantly, both partners in successful

ventures saw the relationship as multi-faceted and long term. As a result, they worked on issues in a spirit of cooperation.

The main elements of success from the partnerships described in *Making the Grade* form the basis for worksheets that readers can use to assess readiness for a corporate-Aboriginal partnership. These elements are:

1. Practise integrity.
2. Create tangible value for both parties.
3. Clarify objectives, expectations, what you offer—and what you don't.
4. Understand the respective business environments.
5. Assess the readiness of both your organization and the potential partner organization and address deficiencies.
6. Understand the role of timing.
7. Look to the long term and plan.

Section 1: Introduction

Making the Grade is intended to assist both Aboriginal and non-Aboriginal businesses with developing and building effective relationships by drawing from the current experiences of successful initiatives in British Columbia and Yukon. It identifies the business cases, elements of successful relationships and effective practices of corporate and Aboriginal organizations in achieving these relationships.

This guide was commissioned by the Industry Council for Aboriginal Business, an association of Aboriginal businesses and corporations owned or with major operations in British Columbia. The Industry Council for Aboriginal Business works to increase economic opportunity by fostering successful working relationships between industry and Aboriginal business. Lauren Whyte of Arbutus Community and Aboriginal Engagement (www.arbutusconsulting.com) conducted the research and prepared the report.

Sponsors of this study are gratefully acknowledged:

Department of Indian Affairs and Northern Development

Golder Associates Ltd.

Hayes Forest Services

CIBC

ACCESS (Aboriginal Community Career and Employment Services Society)

Duke Energy

Weyerhaeuser Company

Royal Bank of Canada

Teck Cominco

BC Ferry Services Inc.

Terasen Gas

Organization of the Guide

The guide is organized to provide an overview of the reasons corporate-Aboriginal partnerships are formed, to review what corporations and Aboriginal businesses seek to gain through the partnership mechanism and to describe some of the types of joint initiatives underway in British Columbia and the Yukon. Five of the 16 projects included in the study are presented in detail to illustrate the elements of effective joint initiatives. These are followed by a discussion of the main elements of success that emerged from all 16 projects. The information is described within a B.C./Yukon context.

Following the section on main elements of success is a self-assessment tool that readers can use to review their own initiatives in light of the information provided about corporate-Aboriginal relationship-building, factors contributing to successes and failures, and strengths and challenges from both the corporate and Aboriginal perspectives. A description of the methodology, additional brief project profiles, a list of service and government agencies and a bibliography are appended to the report.

The scope of this guide does not permit a discussion of contextual factors such as case law, government policies and legislation, market trends, Aboriginal communities in British Columbia and treaty/land claims processes (e.g., interim measures, accommodation agreements, land selections, community development). Nor does it examine in detail partnerships that have failed; rather reference is made to some participants'

comments on their prior failed partnership experiences.

Data Collection

Numerous participants in joint corporate-Aboriginal initiatives were contacted by Arbutus for information and 16 were selected for further study. The selection criteria for inclusion in *Making the Grade* resulted in a representative cross-section of cases across various economic sectors and geographic areas of British Columbia and one from Yukon.

Methodology and interview questions appear in Appendix B.

Section 2: Corporate- Aboriginal Initiatives

Why now?

Over the past seven years, British Columbia and Yukon have witnessed a growth in numbers of projects and participating economic sectors that combine to facilitate economic development initiatives between First Nations and corporations. Part of the increase in business activity results from efforts of First Nation, federal and provincial governments to negotiate and conclude treaty and land claim settlements. Since 1993, the B.C. treaty process in particular has opened a long-closed window of opportunity for First Nations to pursue self-sufficiency through nation-building and control over land use. (For an explanation of the B.C. treaty process, see the B.C. Treaty Commission website publication “Why Treaties?” at www.bctreaty.net/files_2/pdf_documents/why_treaties.pdf.)

For First Nations not participating in treaty negotiations, case law and other developments have encouraged them to assert rights and title to their traditional territories and leverage these for access to economic activities and benefits from industrial activity. This assertion stems from the Supreme Court of Canada in its 1997 *Delgamuukw* decision, which characterized Aboriginal title to land as having an “inescapable economic component.”

This rise in economic development serves as the backdrop for an investigation of factors in creating

and maintaining successful corporate-Aboriginal business ventures. Joint corporate-Aboriginal initiatives are developing in an array of different forms, such as co-management agreements, contractual arrangements, corporate assistance in launching wholly owned Aboriginal businesses and joint ventures. For corporations and Aboriginal communities where common ground exists, the stumbling block for many is knowing how to engage.

The Business Case for Aboriginal Business Development

Aboriginal people are increasingly developing the capabilities needed to become self-reliant by controlling their economic development in the context of nation-building. As more and more First Nations assert their nationhood by taking control of their governing institutions, including economic development, the practical aspects of making partnerships work become relevant to other nation-building activities such as governance, social development, treaty negotiations and land claim settlements.

Business relationships with corporations serve as the platform for many First Nations’ economic development strategies intended to develop capacity in financial, technical and human resource capabilities. These relationships can also help First Nations gain some control over the development of resources on their lands, while at the same time preserving or regaining their cultural values and principles. In addition to building networks of support for development, several participants in this study cite the transfer of business expertise—management, wealth creation and economic strategy—as key to strengthening their ability to negotiate favourable terms with government that will contribute to the larger vision for their nations.

In order to understand the drivers of Aboriginal business development, it is useful to review briefly the historical factors that created current conditions, and the picture that emerges from current international development research among indigenous populations.

A leading body of research on indigenous economic development and nation-building is the Harvard Project on American Indian Economic Development (<http://www.ksg.harvard.edu/>)

hpaied/). Authors Stephen Cornell and Joseph Kalt argue that

“one of the unfortunate consequences of a century of federal control of Indian nations is a legacy of institutional dependency, ... someone else’s institutions, someone else’s rules, someone else’s models ... On many reservations, tribal government has become little more than a grants-and-programs funnel attached to the federal apparatus. On others, tribes simply have adopted the institutions of the larger society without considering whether those institutions, in fact, are appropriate to their situations and traditions. Such dependency and blind imitation are the antithesis of self-determination.”
(Cornell and Kalt 2001, 11)

In the context of modern treaty-making in British Columbia and the north, the ability to control the economic levers of a nation’s territory and constituents is vital to the goal of self-sufficient communities. The Harvard Project’s applied research demonstrates that “sovereignty, nation-building and economic development go hand in hand” (Cornell and Kalt 2001, 2).

“When I take my mind’s eye back 200 years, I ask: How many people were unemployed? How many people committed suicide? How many people abused substances? For our First Nations, the business plan is like a medical prescription: you start with an understanding of the community when it was healthy, and then develop solutions that allow people to re-engage in their roles and in their community. You ask the question: How do people regain their sense of valued being? They may have been wood carvers or food producers and the key is to let them have back that sense of place in the world.”

- Ted Williams, Khowutzun Development Corporation

Today, traditional economic activities are not sufficient to provide employment for the increasing numbers of Aboriginal youth or to address the economic and social problems that plague many reserve communities: a weak economic base, limited infrastructure, high unemployment and welfare dependency, low education levels and inadequate skill development (Loizides 1999, 1). Instead, many Aboriginal communities and

businesses are pursuing business activities in mainstream economic sectors and sometimes partnering with corporations to access technical and management skills, business expertise, markets and capital. To this end, most of the First Nations participating in this study initiated partnership dialogue with the corporations.

Corporate Drivers

Since the federal government stepped away from an intermediary role between industry and First Nations in the 1980s, the incentive for corporations to develop joint initiatives with Aboriginal businesses has been mainly to access lands and resources by the extractive sectors (mining, oil and gas, forestry). The business case for these ventures is clearly tied to the existence of Aboriginal rights to these lands and resources. If a company seeks access and a stable operating environment, it must work with the Aboriginal communities whose territories will be affected to address negative perceptions of the impact on Aboriginal rights and traditional activities such as hunting, fishing and trapping, sacred/significant sites and the environment.

As more corporations adopt the notion of corporate social responsibility¹, they are also applying a longer-term test for the business case of partnering with First Nations and Aboriginal businesses. Rather than limiting their focus to annual or project plans, they are investing in stable relationships that yield a more certain and sustainable investment climate. On the reactive end of the range of approaches, corporations focus on compliance with legal requirements. They also work toward short-term objectives as a means of avoiding disruptions from the communities that could impede their projects or operations. Participants interviewed in this study noted that this approach does not always meet its objectives, and sometimes contributes further to instability. This approach does not typically contribute to strong relationships between corporations and communities.

¹ The World Business Council for Sustainable Development uses the following definition: “Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large.” (Holme and Watts, 2000)

Increasingly, corporations are citing positive reasons for finding common ground with First Nations. In addition to striving for predictable and stable operating environments, the corporations interviewed for this study said they are entering into partnership agreements with Aboriginal businesses to meet other objectives, such as accessing a growing labour pool, being selected as a preferred partner in business and participating in new opportunities created through the First Nations' assertion of jurisdiction over their lands and natural and community resources.

To succeed, these corporations are creating longer-term engagement strategies built on working relationships that are close enough to establish trust and multi-faceted enough to survive the next project or referral.

Consistent with similar research on corporate-Aboriginal relations, *Making the Grade* finds that both approaches are practised, but the trend is toward enhanced relationship-building as the preferred approach of both corporations and First Nations.

Section 3: Case Studies of Corporate-Aboriginal Partnerships

Eight of the 16 projects included in this study are presented here in detail; the remaining eight are summarized in Appendix C. Since the partnerships vary in complexity and scope, so do the type and amount of details provided in the summaries. Each partnership has unique characteristics and important lessons to share, but some common themes emerge as the main elements of successful corporate-Aboriginal partnerships. We will discuss the themes following the review of these eight case studies.

Case No. 1:

Resource Business Ventures— Lil'wat Nation (Mount Currie) and CRB Logging Co. Ltd.

Partners and Contact Information:

Lil'wat Nation (Mount Currie)
Creekside Resources Inc.
Lyle J.R. Leo (T'musta7)
Lead Negotiator: Lil'wat Nation
Phone: (604)340-6952
Email: tmusta7@shaw.ca
URL: www.lilwatnation.com

CRB Logging Co. Ltd.
Principals, Paul Turner and Steve Miles
Phone: (604)892-3501 ext. 227
Email: paul_crb@shaw.ca; steve_crb@shaw.ca

Category: B.C. South Coast
Sector: Forestry
Type: Joint Venture/Business Partnership

Project Overview

When Vancouver and Whistler decided to bid for the 2010 Olympic Winter Games, Lyle Leo had already positioned the Mount Currie Band, also known as Lil'wat Nation, to take advantage of any opportunities presented by proposed activities in the band's traditional territory, which encompasses 750,000 hectares including the areas inhabited by Whistler and Pemberton. Not all First Nations are so fortunate.

In 2001, Leo joined the board of the 2010 Vancouver Bid Corporation and began to set the groundwork for initiatives that would include Lil'wat and other nations in the economic activities associated with the Games. The agreement included several components such as the transfer of 300 acres of provincial Crown land to be held as fee simple property by the First Nations for economic development, a \$20 million dollar cultural centre in Whistler, a \$2.3 million dollar employment and training fund, construction contracts for economic development, and continued involvement in the Olympic facilities in the Callaghan Valley and Whistler areas.

The success of the 2010 bid depended in part on achieving certainty that land could be developed and required facilities operated on Aboriginal entitlement lands. An agreement between the Vancouver 2010 Bid Corporation, the Province of British Columbia, the Lil'wat and Squamish Nations was reached in November 2002 through the Olympic Shared Legacy Agreement.

Mount Currie was well-positioned to take full advantage of Olympic-related activities in their traditional territory. In the mid-1990s, Leo was instrumental in creating Mount Currie's wholly owned Creekside Resources Inc. In 1997, Creekside Resources and CRB Logging Co. Ltd. began their association with joint activity in silviculture, forest management and on property development initiatives. In 2001, the band council granted approval for Creekside Resources to establish a partnership with CRB Logging Co. Ltd., and Resource Business Ventures (RBV) was incorporated as a limited partnership. Creekside Resources owns a 51 percent share of RBV. The partnership created a forest management agreement for the band's recently acquired woodlot licence and gravel pit. Creekside Resources sought to acquire forest development expertise and to generate revenue from the acquisition of timber licences. As the forestry venture developed, Mount Currie also began signing participation agreements with Independent Power Producers of B.C. on small, run-of-the-river hydroelectric projects, providing additional revenue and jobs to the community.

Since RBV was already operational, it was capable of completing construction contracting for several project components related to both the 2010 Whistler Nordic Centre in the Callaghan Valley and the Sea to Sky Highway 99 Upgrade, which would widen Highway 99 into Lil'wat traditional territory.

As part of the Olympic Shared Legacy Agreement, RBV, in 2005, was awarded a \$6 million contract for the site preparation of the 2010 Whistler Nordic Centre. Located in the Callahan Valley, the Whistler Nordic Centre is a 250 hectare project that will host 30 medal events in biathlon, cross-country skiing, Nordic combined and ski jumping. Three temporary stadiums will be built, each accommodating up to 12,000 spectators. The site preparation contract

was completed on time and on budget, and RBV is now detailing a tender package for the 2006 construction season. Leo says he was honoured that RBV, as an Aboriginal-owned business, was the first construction company on the ground for the 2010 Olympic Winter Games developments.

In 2002, RBV also brokered an agreement between the Mount Currie Band and Canadian Forest Products Ltd. (Canfor) to log a historic Pemberton timber licence held by Canfor on Indian Reserve Number 6. Previously, Canfor had been denied access by the Mount Currie Band. RBV proposed that Canfor provide a 50 percent profit share of timber harvesting to the band and Canfor's 600 hectare licence would then revert to Mount Currie status once it had been logged. (Indian Reserve Number 6 was granted to the Mount Currie Band in 1933; however, the timber licence gave the licensee the right to first cut in 1901.) The timber licence was logged by RBV in 2004 and, in 2005, Canfor and RBV entered into another agreement to share revenue in a 50/50 split on an additional 14,000 cubic metres off-reserve.

In 2005, Mount Currie signed a Forest and Range Agreement with the B.C. Ministry of Forests for an annual cut of 54,500 cubic metres over five years, plus an additional "one time only" cut of 18,000 cubic metres. RBV will submit management plans and fulfill the contractual obligations for both cuts, and Mount Currie will use the cash component to fund capacity in their Land and Resources department, which also manages land referrals, a geographical information system (GIS) for the Lil'wat traditional territory and a fisheries stewardship program for the fishery in the Lillooet River and Birkenhead River drainages.

In addition to its partnership with CRB Logging, Creekside Resources is currently working on an implementation plan in partnership with Peter Kiewit and Sons (PKS), the successful bidder for the Sea to Sky Highway 99 Upgrade construction contract. This initiative is another accommodation between the province and the Lil'wat Nation related to the Vancouver 2010 Olympics, as part of the upgrading will occur on Lil'wat traditional territory. The partnership with PKS will include

a joint venture concrete batch plant, operating as Lil'wat Concrete and Aggregate Ltd. 60 person years of employment and training and other spin-off benefits. Under this accommodation agreement, 1200 acres of fee simple land also has been allocated to Mount Currie in the Pemberton Valley, including areas containing rock and gravel suitable for sustainable business development.

Reasons for Entering the Partnership

The Mount Currie Band, or Lil'wat Nation, is the fourth largest First Nation community in British Columbia. Its 1,800 members reside in communities situated at the foot of Mt. Currie adjacent to the Lillooet River and at the head of the Birkenhead River, east of the town of Pemberton. Typical of many First Nations, half of its population is under the age of 25, many under the age of 19.

The Mount Currie Band has not engaged in the B.C. treaty process; instead, the community has taken direct action such as road blockades. Faced with a lack of results from this and other political action, and an unemployment rate hovering around 80 percent, the time seemed right for a new approach. Community member and then-councillor Lyle Leo persuaded the elected council of Mount Currie to use the Supreme Court of Canada's 1997 landmark *Delgamuukw* ruling to assert rights to their traditional territories rather than pursue legal action or the treaty process.

Leo then went to work on strategies to position Mount Currie to leverage proposed developments to access economic opportunities. After creating Creekside Resources Inc., with an on-reserve office base, he negotiated a memorandum of understanding with the B.C. Ministry of Forests Squamish Forest District and licensees operating in Lil'wat territory for access to forest tenure. In order to succeed in acquiring tenure, Mount Currie needed to partner with a licensee, so discussions were held with selected forest companies working in Lil'wat traditional territories to negotiate deals that would provide benefits to the community.

To acquire forest tenure, Leo was looking for a partner with financing ability, expertise in forest management and harvesting and a proven ability to generate revenue from the acquisition of timber licenses. With a 50-year history of working in the area, CRB Logging Co. Ltd. had built a

reputation in the Squamish Forest District for being a solid company capable of toughing out the spiking economic cycles of the forest sector, and was already familiar with the Mount Currie community.

A full-phase logging company, CRB is involved in falling, yarding, loading, hauling, dump boom, sorting, and marketing and sales. The company has experienced several years of continued growth in an industry that has encountered significant challenges. CRB is led by Paul Turner and Steve Miles, who bring extensive experience in scaling/grading, management of dry land sorts, packaging and sales of fibre for domestic, national and international markets, and the management of full-phase harvesting operations. Their management style is hands-on and flexible, attributing to the company's growth and success.

Objectives and Decision-making Processes

Recognizing that many companies operating outside of major urban centres have challenges, Mount Currie has been careful to select partners in lines of business that offer long-term viability. The partnership with CRB was a key step in establishing a business foundation in Mount Currie.

With on-reserve offices, Creekside Resources manages primarily off-reserve business ventures such as RBV and Lil'wat Concrete & Aggregate. The band also created Mount Currie Management Inc. to manage on-reserve businesses (a store and gas station) and Lil'wat Properties Inc. to manage its real estate development and land holdings.

Creekside Resources has a general partnership with the Mount Currie Band for diminishing taxation benefit. It operates as a not-for-profit, which buffers Mount Currie from risk and liabilities associated with its businesses, while enabling the businesses to invest in community development. All shares are held by the Chief for Mount Currie's members.

The boards of Creekside Resources and Lil'wat Properties share the same directors consisting of five community members, one of which is a band councillor. Mount Currie Management is governed by a different board, but shares the same corporate structure as Creekside Resources and Lil'wat Properties. RBV is a limited partnership

with a board with two representatives each from CRB and Creekside Resources.

The connection between the First Nation businesses and the band administration can be complex and needs careful management. At a time when increasing tenures and a glut of low-end wood resulting from the mountain pine beetle disaster are cutting into already slim profit margins, RBV must keep its productivity as high as possible. Investments in human resource development become costly in this business environment, forcing RBV to look for creative alternatives to on-the-job training initiatives, such as job-shadowing, to safeguard economic viability. Like some other First Nations, Mount Currie's reserve-based businesses have addressed this by forging ties with the employment and training departments of their band administrations to coordinate training and supply of qualified labour to their businesses.

Accomplishments

To compare the optimism at Mount Currie today to what it had been during the days of active radicalism gives Leo a sense of the pride that he says had been absent in his community for generations. Mount Currie had been in under a remedial management plan,² but revenues from the business ventures described above enabled the band to meet the conditions of the plan in three years, ahead of the five-year schedule set out by the federal Department of Indian Affairs.

RBV not only brings in revenues but also business financing and logging expertise. The company has invested in community facilities such as a community school sports field, and an annual rodeo. RBV has also provided capacity funds to the band administration in the areas of employment and training and land/resource management. Currently, RBV indirectly employs 45 employees, about half of them from Mount Currie, and is drawing from the relatively young Aboriginal population as its aging employee base moves into retirement years. Mount Currie members have priority hiring for logging and access to trucking class 1 training and heavy duty operator training. (CRB initially owned the trucking and heavy equipment, which Creekside Resources and

RBV are now purchasing as business expands.) Other benefits to the community arising from the partnership in addition to the site preparation of the Whistler Nordic Centre, include business opportunities for other Lil'wat Nation companies that supply trucking, temporary employment (trail building) and fuel.

Overall at the community level, the strategic approach to business developments in Mount Currie traditional territory is providing streams of revenue, profit, employment, training and contracting opportunities. These include three independent power production (IPP) facilities; the logging agreements with Canfor and the B.C. Ministry of Forests; the forestry operations related to the Forest and Range Agreement that was ratified by Mount Currie in 2005 and is soon to be implemented; the joint venture with PKS on the Sea to Sky Highway 99 Upgrade; and ongoing construction contracting for 2010 Olympic Winter Games venue developments.

Lessons Learned

Early in its strategy to develop business, Mount Currie was not in a position to choose how it would build capacity and bring in streams of revenue. But the band played its hand very well by being ready to act. That readiness included preparing the community and the leadership, understanding the assessment process and putting a great deal of effort into planning. Leo says you cannot overstate the importance of due diligence, including providing for the start-up costs for doing archaeological work and obtaining objective legal and financial advice in assessing an opportunity that involves traditional territories.

Sustainable growth involves a multi-faceted and careful approach in selecting business opportunities that takes into account the unique characteristics of the community and maximizes returns on the investment. It also involves building relationships. Creekside Resources communicates its activities and plans to the community through the elected band council and ensures that the results of its investments are known. For this reason, a referendum on the Sea to Sky Highway 99 Upgrade accommodation agreement received 67 percent support from the community. Also, the elected council of the day supported the 2010

² A remedial management plan is developed by the recipient and approved by the Minister to reflect decisions and measures that are necessary to remedy a default under a funding arrangement.

Olympic Shared Legacy Agreement and the Forest and Range Agreement. Creekside Resources also builds relationships with corporations, government and other First Nations to promote a broad understanding of their capabilities. Leo stresses that credibility and reputation are crucial when you don't have financial equity and are working to leverage Aboriginal entitlement to land and resources.

Conclusions

Today, as lead negotiator for the Lil'wat Nation and advisor to the Board of Directors for corporations, Leo oversees the strategic expansion of Mount Currie's lines of business and partnerships that have the potential to generate lasting returns on investment and opportunities for community members. In addition, Mount Currie has been purchasing off-reserve lands for development and collateral.

Seizing opportunities and looking to the future have created valuable cash-flow and human resource development opportunities for Mount Currie. Leo notes that most First Nations have both historic grievances and development goals on their agendas, and accommodation agreements offer an opportunity to take advantage of these to reconcile the past and set the tone for a more promising future. In addition to building integrity and pride among community members, Mount Currie, he notes, wants to be a net contributor to society.

Elements of Success

- Assess the readiness of both your organization and the potential partner organization and address deficiencies.
- Understand the respective business environments/cultures.
- Clarify community objectives, expectations, what you offer—and what you don't.

Summary

Lil'wat Nation • CRB Logging

- Gain control over the levers of land and economic development. This will enable a First Nation to effect political governance.
- Provide leadership by understanding and meeting the needs of the community and through developing a process for business development

that will grow and adapt to changing conditions. As with other nation-building activities, developing leadership is important for First Nations entering into significant business activities.

- Understand fully what your business vision is and what will be needed to succeed. The myriad of hurdles and constraints imposed on First Nations by the Indian Act, the lack of a land base, the continuing confusion over consultation requirements, combined with the rates of failure common to entrepreneurs can quickly turn a business idea into a "field of dreams."
- Be prepared to interact directly with the community to build the necessary support.

Case No. 2:

Skilled Trades Employment Program—Khowutzun Mustimuhw Contractors (Cowichan Tribes) and BC Construction Association

Partners and Contact Information:

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BC Construction Association
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Category: South Vancouver Island
 Sector: Construction
 Type: Community Partnership

Project Overview

The looming shortage of skilled trades workers is now upon us, and industry in British Columbia is moving quickly to address the gaps. Enter Manley McLachlan, president of the BC Construction Association (BCCA) - with experience working on Aboriginal apprenticeships in Saskatchewan - and a pilot trades training program soon gets underway in Duncan. Completed in the summer of 2005, the Skilled Trades Employment Program has also spurred successful placements of Aboriginal people elsewhere in the province.

Market demands for skilled labour are growing exponentially in British Columbia. New development projects include the construction of a natural gas pipeline from the Fort St. John area to Chicago; the 2010 Olympic Winter Games, which is stimulating trades employment in transportation corridors and related infrastructure; residential construction, which has become one of the fastest-growing industries in British Columbia; construction related to a new Energy Plan for the oil and gas sector; and new incentive programs related to mining and transportation.

The Skilled Trades Employment Program (STEP) pilot was modelled after three Construction Career trades-training projects run in Saskatchewan by industry and the Saskatchewan Indian Institute of Technologies. The goal of these projects was to draw First Nation and other untapped human resources into the labour pool. The STEP pilot was a partnership between Cowichan Tribes through Khowutzun Mustimuhw Contractors Limited Partnership (KMC) and the BCCA. The project drew on the Saskatchewan model and then modified to meet the particular demands of British Columbia for trades workers and to enable the transfer of its core elements to other areas of the province.

Planning for the STEP pilot began in January 2005 and implementation began that spring. STEP set up a storefront office in a targeted high traffic area within the Duncan Mall Shopping Centre. Here the job coach, Joe Thorne—or Bingo as he is known—has made himself available to explain the array of opportunities in skilled trades and to manage the training and placement of apprentices.

STEP provides its trainees with worksite

placements and initial training. The vast majority of learning in skilled trades occurs on the work site, and as employment becomes an apprenticeship, the apprentice then begins the academic component. To ensure the safety of workers and the confidence of potential employers, STEP also provided safety-related training to participants before starting them at work sites.

Since the success of the pilot has far exceeded initial objectives, a growth strategy for STEP has been developed. Currently, discussions are taking place with the BCCA to initiate future funding and partnership activities in more regions of British Columbia. The regional Aboriginal Human Resource Development Agreement holder, the Coast Salish Employment and Training Society (CSETS), which receives federal training dollars, adopted the operational aspects of the pilot in August 2005. The CSETS continues to operate a modified form of the STEP model out of the Duncan area.

The STEP model is similar to the approach being used by VanASEP, a \$21 million Vancouver-based consortium, which links major employers and construction projects to the Aboriginal labour supply. VanASEP was created, in part, to capture opportunities related to the Vancouver Convention & Exhibition Centre expansion project, the Vancouver Port Expansion projects and the Sea to Sky Highway 99 Upgrade project. VanASEP was created to train 600 Aboriginal workers and to employ a minimum of 300 Aboriginal people in long-term sustainable construction careers.

Reasons for Entering the Partnership

With a membership of almost 4,000 people, the Cowichan Tribes is British Columbia's largest single First Nation community. Khowutzun Mustimuhw Contractors (KMC) is an engineering and construction company formed as a limited partnership under Khowutzun Development Corporation (KDC), which is wholly owned by Cowichan Tribes. KMC operates four divisions; Structural, Natural Gas Pipeline, Civil, and Engineering. In business since 1996, KMC is involved in residential, commercial and industrial construction, civil works, natural gas pipeline construction and engineering.

During an internal assessment of skill sets among Cowichan members, KDC discovered that the majority of construction-related workers were semi-skilled, but not apprentices or journeymen. When BCCA approached Cowichan about piloting the training model, manager Dana Francis was already familiar with the association and with the successes McLachlan had achieved in Saskatchewan. The approach appealed to Cowichan, Francis says, because it enabled them to participate fully as partners in all aspects of the project.

The BCCA is the largest construction employer in the province, representing over 1,700 non-union and union contractors. Active in all sectors of the industry, BCCA is primarily focused on industrial commercial and institutional construction. Its membership includes general contractors, trade contractors and suppliers, large and small, from all regions of British Columbia. These construction companies hire and train over 75 percent of the trainees currently in the sector.

The BCCA comprises four regional associations:

- the Northern BC Construction Association (NBCCA) in Prince George
- the Southern Interior Construction Association (SICA) in Kelowna
- the Vancouver Island Construction Association (VICA) in Victoria
- the Vancouver Regional Construction Association (VRCA) in Vancouver

With several large projects in the planning stages, BCCA sought to invest in training that would provide more job-ready trainees to its members in all regions of the province. McLachlan's experience in Saskatchewan encouraged him to seek partnerships with First Nations in British Columbia that would supply the trainees and provide them with some local support in both the soft and hard skills necessary for successful apprenticeships. For local employers, McLachlan notes, the STEP model is a "hand-in-glove fit."

Objectives and Decision-making Processes

The objectives of the STEP pilot were:

1. To promote the image and value of the B.C. construction industry among First Nation communities.

2. To attract and recruit Aboriginal persons into B.C. construction industry career paths.
3. To align and facilitate the transition process for income assistance recipients to become self-sustainable through a gratifying career.
4. To retain, upgrade, develop and motivate new construction industry employees with apprenticeship opportunities.
5. To develop and confirm through this initial implementation, a comprehensive First Nation construction industry skills and career development model with application on a provincial scale.
6. To provide specialized assessment and job mentoring through a job coach.

The STEP pilot was delivered under the direction of an executive management committee comprising two BCCA members, three representatives from KMC, a project manager and a job coach. They formed a multi-party advisory committee representing the project partners, funding agencies and other key stakeholders in the region who are interested in First Nation and Aboriginal labour force development initiatives. These stakeholders include the local school district, the Industry Training Authority, the Vancouver and Victoria Construction Associations, the regional Economic Development Commission and CSETS, which holds the federal contract for training and employment initiatives of member First Nations.

Decision-making among the partners and advisory committee centred on three principles: clear, simple outcomes; each entity contributes something; and each entity gets something from the initiative. The need for innovation and flexibility was discussed and agreed upon by the participating organizations as was the commitment to continue to promote and develop the core model after the successful completion of the STEP pilot.

Third Party Resources

Together with the Cowichan band administration, KDC sought to pilot the STEP trades-training model with a view to incorporating successful elements into a longer life-cycle human resource development plan. This, and the ability to access federal training dollars through CSETS,

necessitated a close working relationship between KDC and the administration's employment and training department. In addition, CSETS has the ability to register—or indenture—new apprentices, and coordinate and track the required work and educational requirements of trainees. CSETS has maintained a “storefront” presence in the community, encouraging access by anyone interested in trades careers.

Accomplishments

The success of the STEP pilot far exceeded the expectations of the partners. Initially, the pilot targeted the placement of ten individuals into construction-related employment. By June 2005, 62 participants had been placed directly into the construction sector. These results have supported BCCA's case for investment in the Aboriginal population to meet critical labour demands in British Columbia.

Approximately 20 employers have become involved with STEP, and many have taken on more than one employee. Many sub-trades are providing entry-level opportunities, and a number of employers have expressed an interest in registering (indenturing) employees as apprentices once their internal probationary period is completed.

Significant success beyond the scope of the STEP project is reflected in the indirect placement of individuals outside the construction industry or into other regions. As Thorne developed the network of employers and job seekers, community knowledge expanded the “circle” and enabled him to steer individuals toward employment opportunities. STEP has facilitated nearly 100 placements in the forest fire suppression, retail and automotive sectors. In addition, it has been influential in the hiring of 22 individuals in Squamish and another nine in Tofino. These developments are viewed by the partners as a natural progression of the success of the STEP project and the unrelenting demand for skilled trades workers in British Columbia.

Lessons Learned

The key success of the pilot is the supported initiation of employment and exposure to the construction sector. This has led to an increased work ethic and the acquisition of soft skills, while enhancing self-esteem and confidence. Hard

skill development then leads to the bridging and laddering of capabilities leading to a trades career.

Central to the effectiveness of STEP's trades-training model was the role of the job coach, who worked together with a project manager to administer the pilot. As job coach, Thorne brought his years of experience and knowledge of local networks to the project. He developed understanding and accountability among trainees and employers at the job sites where trainees were placed.

In addition to conducting assessments, providing advice and developing employability skills, Thorne facilitated the working relationship between trainees and local employers. He often drove to job sites and introduced himself to the contractors with an invitation to learn more about STEP and give it a try. If he got agreement, he attended the worksite personally, with a clipboard in hand and a trainee fully briefed on the employer's expectations. He then coached and monitored progress until he was satisfied that the roles and responsibilities were understood by all.

Thorne brought his culture to the role, both as someone familiar to the Cowichan and Duncan communities and as an Aboriginal journeyman who understands trades and can convey the worldview of Cowichan members to employers. While a trades background is useful, the most important aspect of the job coach's role is communication and connection-building among trainees and employers. Thorne emphasizes that life skills, expectations and healing are necessary for trainees to successfully make the transition to trades employment.

Local delivery of the STEP model also contributed to its success. The storefront office, which became well known to locals, supported the relationship-building that occurred between the Cowichan community and employers.

The storefront continues to provide a solid foundation for communication and relationship-building; however, had the pilot been longer, the project team would have learned even more about the Cowichan community and culture. This need for greater integration is being shared with others using trades-training models elsewhere in British Columbia.

For a trades-training program to work, both industry and the First Nation(s) must have identified needs and be directly involved throughout the development and implementation stages. Funding must be flexible to accommodate some of the needs of the Aboriginal participants, such as obtaining driver training and work boots.

Conclusions

The core aspects of the STEP trades-training model have proved effective and transferable to new regions and a new Aboriginal communities. Not only will the model be used in various other projects on South Vancouver Island and the Lower Mainland, it is also being transferred to different industrial sectors. The partners used the model to meet industry needs and focused on obtaining results. McLachlan and Francis agree that they are not in the business of developing programs but rather in developing meaningful employment through relationship-building, preparation of trainees and clarification of roles and responsibilities on the job site. The combination of industry, Aboriginal business, community and government support provided the resources to increase the odds of a successful outcome.

McLachlan believes corporations will best succeed in partnership with First Nations if they:

1. Understand the goals and aspirations of the community.
2. Immerse yourself in the culture of the community.
3. Respect community protocols.
4. Understand what the community's definition of "respect" is.
5. Have a clear understanding of all aspects of the enterprises you are working with including their governance structure, goals and objectives, level of business acumen and sophistication.
6. Have a clear understanding of the corporate structure of the community and the interplay with the enterprise [unclear. what does this mean?] you are partnering with.

Elements of Success

- Create tangible benefits for both parties.
- Understand the respective business environments.
- Look to the long term and plan.

Summary

Khowutzun Mustimuhw Contractors •
BC Construction Association

- Keep the focus of training activities on the end result.
- Invest the time and support necessary to integrate Aboriginal people and the working environment they will be entering.
- Create value for the employers: trainees need to develop both hard and soft skills in order to succeed.

Case No. 3:

Upnit Power Corporation (China Creek Hydroelectric)— Hupacasath First Nation, Ucluelet First Nation, Synex Energy Resources Ltd. and City of Port Alberni

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Category: Vancouver Island
 Sector: Power
 Type: Limited Partnership Joint Venture

Project Overview

China Creek is a 6.5 megawatt (MW), run-of-the-river, green hydroelectric project, generating enough power at peak operation to power 6000 homes. Located approximately five kilometres south of the City of Port Alberni on Vancouver Island, the watershed lies along the eastern side of Alberni Inlet. After two years of development and one year of construction, China Creek began operations on December 5, 2005.

Energy has become a major contributor to British Columbia's economy. Since 2000, it has overtaken forestry in revenue to the government. On Vancouver Island, discussion of energy has focused on the need to develop additional sources, including "green" energy sources, for its growing needs. Vancouver Island power comes mostly from hydroelectric dams. "Green" power refers to energy generated from renewable energy sources, such as wind and solar power, geothermal, hydropower and various forms of biomass. Although only a fraction of the power needs of Vancouver Island are currently provided by green power sources, there is a growing trend in the development of this energy sector in British Columbia.

In response to recent BC Hydro forecasts highlighting a potential lack of power in British Columbia, many communities are seeking alternative energy sources. In 2001, Hupacasath First Nation created an economic development strategy in parallel to its community plan. Ninety-two percent of community members participating directly in the community planning process identified sustainable resource development—and energy development in particular—as a priority for the First Nation.

After realizing a potential business opportunity may exist, the Hupacasath began working with Sigma Engineering to assess the feasibility of run-of-the-river energy. With a small grant from Pembina Institute, Synex Energy subsidiary Sigma Engineering studied green energy options in the area encompassing Hupacasath's traditional territory. Sigma found 30 watersheds, 10 of which would be commercially viable, and of these, China Creek was selected for development.

Hupacasath approached Ucluelet First Nation, the City of Port Alberni and Synex Energy to participate in the proposed China Creek project as equity partners. After two years of discussion and working through issues, they formed the Upnit Power Corporation and entered a 20-year Energy Purchase Agreement to supply power to BC Hydro. Majority owned by Hupacasath, China Creek is the largest Nuu-chah-nulth-owned economic development project.

One of the issues that the partners had to overcome centred on the integrity of flows from China Creek, which supplies water to the community of Port Alberni. The engineers initially located the project headworks at the same place as Port Alberni's intake, which would have created no effects on the water supply. However, they later discovered the headworks would have to be located above Port Alberni's intake. The prospect of another water licensee operating above their intake concerned city councillors. They resolved the issue by entering into a memorandum of agreement that would safeguard Port Alberni from interruption of water flows, and once agreed, Port Alberni actively supported the water licence application.

After two years of project discussions, Hupacasath and Port Alberni created a relationship that now encompasses a range of local and regional community initiatives such as the Vancouver Island railway and a new waterfront cultural centre.

Hupacasath Chief and Upnit Power president Judith Sayers had participated in environmental reviews of proposed oil and gas development and decided to demonstrate the viability of an alternative energy option that reduces environmental impacts.

This micro-hydro project has re-established the environmental standards of our ancestors while creating one of the hottest new power sources. The run-of-the-river project captures energy produced when water is diverted out of a creek and over a vertical drop creating a sustainable low impact power supply. China Creek removes the equivalent of 8,000 cars off the road in reduction of greenhouse gas emissions.

—Chief Judith Sayers

Reasons for Entering the Partnership

Hupacasath First Nation is centrally located near Port Alberni with traditional territory spanning the Alberni Valley that offers development opportunities in forestry, fishing, mining and tourism. Part of the Nuu-chah-nulth Tribal Council, Hupacasath is a small community of 250 people on a reserve land base of 232 hectares and traditional territory of 232,000 hectares. The goals of Hupacasath First Nation are:

- Keep our way of life
- Maintain our rights
- Retain stewardship over our territory
- Ensure sustainable development
- Maintain economic independence]

Hupacasath sought to create a greater awareness of energy efficiency and green energy solutions to climate change while meeting the energy needs of the community. In addition to the potential for flowing a stream of revenue into the community, Chief Sayers saw long-term potential for other similar developments in the area. The need to build expertise and capacity in order to establish the plant and access financing led Chief Sayers to approach Synex and its engineering arm, Sigma, to partner on the project. Hupacasath also saw value in working with Port Alberni to begin a working relationship that could generate other community development partnerships, stimulating the local economy in the Alberni region.

Synex International Inc. is a public company trading on the Toronto Stock Exchange since 1987. It owns two subsidiaries, Synex Energy Resources and Sigma Engineering. Synex Energy develops and operates electrical energy supply and distribution projects, mainly for industry and government, including hydropower plants, diesel power plants and power line connections to the existing grid system. The company owns and operates 4 MW of hydroelectric capacity in British Columbia. Sigma Engineering provides technical and project management consulting services for the control and use of water, including the design of hydroelectric and other power generation facilities, hydrology, and water-related environmental assessments.

Hupacasath approached Synex with an offer to join the project as a minority partner—not the

first time this type of offer was made, and Synex had not previously seen minority interest as a desirable addition to its portfolio. However, Synex had experience and a comfort level working with First Nations, and the return on investment and Hupacasath's plan to own and operate the plant long-term provided the assurances Synex needed to commit to the investment.

Incorporated in 1912, Port Alberni has an area of 1,914 hectares and a population of 18,500. Located in the Alberni Valley at the head of Vancouver Island's longest inlet, Port Alberni's main industries have been mining and logging. Tourism is on the rise, and the city is building up its amenities to become a major tourist hub. Under the leadership of Mayor Ken McRae, Port Alberni has embarked on several economic development initiatives together with Hupacasath and other First Nations.

Located on the West Coast of Vancouver Island, the Ucluelet First Nation's traditional territory spans nine reserves with a population of about 200 at the main village of the Ittatsoo Reserve located 28 kilometres from the rural community of Ucluelet.

With a downturn of the major forestry industry, shortage of work in the fishing industry and closure of on-shore local processing plants, Ucluelet has turned its focus to implementing a feasible and effective economic strategy. This involves identifying, investigating and investing in business ventures that will flow profit to the community and create quality training and career opportunities. In addition to a 10 percent equity stake in Upnit Power, Ucluelet has equity participation in Eagle Rock Materials and is investing in the rapidly growing tourism industry.

Objectives and Decision-making Processes

Upnit Power is set up as a limited partnership with a board consisting of seven directors: four from Hupacasath, one from Ucluelet, one from Port Alberni and one from Synex. Trevor Jones is manager of the project

The City of Port Alberni provided a valuable 20 years of flow data for China Creek, site access and graded roads. In addition to its equity investment, Synex brought technical and operating expertise to the partnership.

While discussions between the partners continued for two years, no preliminary agreements were negotiated, and the limited partnership agreement took about six months to complete. As with any partnership, says Synex president Greg Sunell, achieving a comfort level takes time. Since Synex seeks long-term investments in hydroelectric projects; Sunell wanted to ensure that the others not only had the desire, but the capacity to sustain the operation of the plant.

Third Party Resources

The \$14 million China Creek project was financed with \$5 million equity and \$9 million debt financing. Using both its own sources of revenue and federal funding, Hupacasath raised additional financing from VanCity Capital. In order to meet the test for financial viability, power projects also need to sell to BC Hydro's grid. China Creek successfully entered BC Hydro's 2002 call for power, signing an Energy Purchase Agreement in 2003.

In addition to the grant from Pembina Institute, which funded the engineering study of energy options by Sigma Engineering, Western Economic Diversification provided a \$925,000 repayable loan through its Softwood Industry Community Economic Adjustment Initiative and Indian and Northern Affairs Canada provided a further \$250,000 for planning and development through its Aboriginal and Northern Community Action Program (which promotes the reduction of greenhouse gas emissions). This funding was matched by a \$2 million equity grant from the Economic Development Opportunities Fund (EDOF) delivered by Indian and Northern Affairs Canada economic development programs.

The City of Port Alberni received a grant of \$90,335 through the Green Municipal Enabling Fund.

Accomplishments

This green power initiative enables the Hupacasath and Ucluelet First Nations and the City of Port Alberni to generate annual revenues that can be reinvested back into their communities to support other economic ventures. Other economic benefits include training and employment opportunities. Jones has leveraged the project to create employment for community members, three of whom are remaining with

the plant as operators. Regional benefits include creating a new reliable and steady power source that will help to ease the increasing heavy demand by Vancouver Island users on the hydro grid.

In addition to the revenue and employment, Synex has made their engineering expertise freely available to the project, which Jones believes will position Hupacasath well to establish future hydroelectric projects.

Lessons Learned

Reflecting on the experience of bringing the city and First Nation communities together, Port Alberni city manager Ken Watson noted the importance of organizing and planning in an environment where the parties are learning about each other. Like municipalities, First Nations have competing demands on their resources and from their constituents, but the relationship to the land holds a different meaning for Aboriginal people. This different perspective requires a focused and purposeful dialogue in order for the communities to reach understanding.

Watson also notes the need for municipalities to find ways to build dialogue with First Nations outside of their normal routine. City council meetings do not facilitate the type of interaction and discussion that leads to mutual understanding. "Ten minutes on the agenda doesn't allow us to listen and understand their priorities—it takes separate meetings and gatherings."

Conclusions

Port Alberni mayor Ken McRae says he recognizes the value of all forms of economic development in the region, and wealth generated by First Nations helps to fuel the local economy. For Mayor McRae, partnership is essential. He sees this project as the first step of a longer journey in partnership with Hupacasath and Ucluelet on various community initiatives.

Mayor McRae credits the leadership demonstrated by Chief Sayers for building community partnerships to create opportunities in the region. He recalls learning in 2001 that the Vancouver Island railway was potentially going to be removed and the property sold. "I thought if anyone could work with us to salvage the line, it would be Judith." On March 31, 2006,

RailAmerica will transfer ownership of 181 miles of the right-of-way corridors known as the E&N Railway Line to the Island Corridor Foundation, a partnership created by municipal, community and First Nations organizations.

Synex's Sunell says it is inaccurate to assume that First Nations or any other partner is incapable of developing the expertise to drive their own projects. But like any project, it takes time to develop. Hupacasath, he says, has been climbing the learning curve on power project development in an atmosphere of leadership and trust together with its partners.

Elements of Success

- Assess the readiness of both your organization and the potential partner and address deficiencies.
- Understand the respective business environments.
- Clarify objectives, expectations, what you offer—and what you don't.

Summary

Hupacasath First Nation • City of Port Alberni • Synex Energy Resources Ltd. • Ucluelet First Nation

- Enlist the specialized capabilities of other communities and potential partner companies—they may bring "in-kind" value that will get a project off the ground.
- Build time into the process for understanding mutual and respective interests. Know your potential partners' motivations and long-term plans.
- Develop a regional partnership with the big picture in mind; other opportunities grow from the relationships.



Case No. 4:

Haida Environmental—Haida Nation and Golder Associates

Partners and Contact Information:

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Category: B.C. North Coast
Sector: Environmental
Type: 100% Aboriginal-owned; contractual

Project Overview

Haida Environmental was established by Old Massett Village Council to offer environmental services to projects primarily in Haida Gwaii. Golder Associates provides services and support to Haida Environmental in the areas of environmental services, training, continuing education and employment for Old Massett Village members and other Haida. Together, Haida Environmental and Golder conduct environmental assessments for several projects in the Haida Gwaii, including a local marina. Recently, they conducted a major study commissioned by the University of Northern British Columbia to review the health of marine and estuarine ecosystems of the Queen Charlotte Basin. They have also partnered to produce a cross-cultural background document to assist non-Haida businesses in understanding Haida culture before coming to Haida Gwaii. Other projects include a geotechnical and environmental assessment for a proposed gravel pit, a geothermal feasibility study for a 50 hectare commercial development, planting on a salt marsh, and a feasibility study for Canada's first forestry-related carbon credit project included in the provisions of the Kyoto Agreement.

Golder and Haida Environmental are renewing a

Teaming Services Agreement first signed in 2003 that provides for training and capacity building through Golder Institute (a division of Golder Associates Ltd.) and environmental assessment work related to potential offshore oil and gas development, wind energy and construction projects, as well as traditional knowledge and cultural heritage initiatives.

Reasons for Entering the Partnership

The idea of developing an environmental services company grew from informal discussions and an established working relationship between Golder and the Haida over a period of about 12 years. With major developments planned for Haida Gwaii, the economic development branch of the Old Massett Village Council felt they needed to create a parent company capable of managing business and profits according to the priorities of Haida communities. Witnessing the loss of land, water and forest resources over time, the Haida wanted to re-establish a role in managing these resources. Capacity to work in the environmental field provides the Haida with the ability to gather and interpret data themselves, while at the same time creating employment and revenue for the community.

Golder Institute, a specialized training group of Golder Associates Ltd., provides certified continuing education training as the starting point for collaborative projects with Haida Environmental. Being able to work effectively with a client group serves the interest of the business. The training setting provides a forum for mutual exchange of information and ideas that further develops the working relationship between the community and Golder. As Haida Environmental embarks on new projects, its employees increase their capacity, adding new skills with each training and employment opportunity.

Objectives and Decision-making Processes

Within the framework of stewardship over resources and the Haida Land Use Plan, the board of the Kluu laanas Economic Development Corporation is tasked with three priorities: revenue generation, employment (including training and skills enhancement) and facilities and infrastructure. The Comprehensive Community Development Plan cites “The Strive for Independence” as the economic strategy for Old Massett Village. The Council of Haida Nations

and a steering committee oversee the initiative. The steering committee facilitates discussion among community groups and with Golder representatives, and continues to make decisions on major topics such as whether to bid on a project.

Both organizations work toward similar objectives, which eases the negotiating process and keeps objectives realistic. Haida Environmental and Golder wanted to produce high quality environmental reports that would satisfy technical requirements and form the basis for good decisions by the community. As a team, the companies pursue contracts and use their respective capabilities to create additional value.

The objectives of each partner in the Teaming Services Agreement are:

Golder

- build and nurture long-term relationships
- increase business volumes, revenues and profits
- foster sustainable development
- foster a working relationship grounded in mutual trust
- contribute to long-term capacity-building in Haida Gwaii
- become the consultant of choice for environmental consulting on Haida Gwaii
- respect traditional values and knowledge
- honour the strengths in differences
- uphold Golder’s high business ethics in all business relationships

Haida

- develop an environmental service to provide training and employment opportunities that will improve the quality of life for the Haida
- ensure that the corporation provides the most suitable environment for training, continuing education and accreditation of Haida
- strive to be the environmental service business of choice on Haida Gwaii and beyond
- strive to be profitable so that these profits can be folded back into the community to create further employment opportunities

Third Party Resources

The Haida-Golder partnership has not involved third party organizations or received public funding. However, the Haida have attempted to obtain funding for development of a business plan without success to date.

Accomplishments

The initiative has created a relationship that enables both parties to access business opportunities: business for Golder and project work for Haida Environmental. It has defined a path for training that leads to employment opportunities for those willing to take them. The revenue is intended to fund other business and community initiatives. John Disney, who heads up the economic development corporation and Haida Environmental, underscores the importance of starting out with a venture that is certain to succeed. For First Nations unfamiliar with the business world, a productive working relationship with a trusted partner opens the minds and hearts of people who would otherwise not engage.

Even for those communities like Haida with a history of entrepreneurial activity, the whole concept of business is a huge challenge; it requires a leap of faith for leaders who are willing to do something new.

“It is important to work with a company that “gets” the importance of ties to the land and respects the role of elders; [the company] must understand how the important aspects of life in Aboriginal communities are expressed (i.e. through art in Haida culture)”.

John Disney, Economic Development Officer,
Old Masset Village Council

Lessons Learned

Joint initiatives can be very complicated, but worth the investment if both parties follow through on their commitments. Haida Environmental’s partnership with Golder is an example of mutual gain, but their experience with other corporations is not all positive. John Disney warns people to trust their instincts and avoid those who are not conveying their objectives openly and honestly. The additional investment of time and money in a relationship with a partner that is not committed to similar objectives, he says, is wasted.

The training/learning model is powerful because learning happens both ways; for example, the element of bringing elders into the process is different from working with non-Aboriginal businesses. This makes the process slower because you need to build in enough time for the community members to be involved. However, Natasha Thorpe of Golder observes that the resulting quality of the environmental information is superior, which will attract more customers.

Conclusions

Haida Environmental was set up as a 100 percent Haida-owned business rather than a joint venture partnership. It enters into service contracts with Golder to provide the capabilities the business needs to establish itself in the market. The long prior working relationship and common objectives between the partners facilitated the process and positioned them to win bids before all the formal pieces were in place (e.g., a business plan). This ability to move forward without some of the formalities is common in corporate-Aboriginal partnerships that rest on a solid relationship.

John Disney notes that his organization was comfortable with “putting its cards on the table”—having the trust that allows them to expose their respective weaknesses and address potential gaps early in the process.

Elements of Success

- Clarify decision-making processes and responsibilities.
- Create tangible value for both parties.
- Practise integrity.

Summary

Haida Environmental • Golder Associates

- Staff your business organization with seasoned business people who have a working knowledge of contracting.
- Work with a model of training that leads directly to meaningful employment.
- Listen and allow for silence; investing the time in relationship-building pays back in loyalty and commitment.
- Involve employees who demonstrate respect when working with Aboriginal communities.

Case No. 5: ***Ts'aa7ukw—Ditidaht First Nation and Hayes Forest Services***

Partners and Contact Information:

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Category: Vancouver Island/Rural
Sector: Forestry
Type: Joint Venture

Project Overview

The Ditidaht First Nation first entered the forestry business in the early 1990s along with its participation in the B.C. treaty process. Ditidaht Forest Products, its sawmill, was initially a joint venture between Ditidaht and Rebco Wood Products. However Rebco was not self-sufficient. The partnership was dissolved in 1998, and the Ditidaht assumed all sales and marketing of the sawmill products.

Reasons for Entering the Partnership

Ts'aa7ukw is a joint venture partnership between Ditidaht First Nation and Hayes Forest Services created to manage 300,000 cubic metres of timber awarded to the Ditidaht in 2001 as an interim measure in the B.C. treaty process (subsequently executed by the Ministry of Forests on August 25, 2003). The Ditidaht's existing capital was invested in a sawmill (Ditidaht Forest Products Ltd.) in 1996, leaving them short of the capital that would be needed to build roads and engineer a logging operation.

In 2002, the band council and the Ditidaht's elders' committee examined community aspirations and set out development objectives, including management/control of resources; created a board of directors for the business; and tasked the business with three objectives:

- repay loans used to finance the sawmill
- train community members for employment opportunities
- generate profit for community investment

The board of directors is composed of three band members of the Ditidaht and two band members of the Pacheedaht First Nation, which is at the same treaty negotiation table.

Hayes has a long history on Vancouver Island, priding itself on integrity and innovation. Included in Canada's 50 best-managed companies, Hayes uses an integrated forest management systems approach and is guided by First Nations principles in its day-to-day operations. The company seeks to work with First Nations to earn the position of preferred supplier to First Nations in British Columbia. To achieve this goal, the company internally supports relationship-building with First Nations from the president to the office and field staff. This commitment is evidenced in Hayes' training and education programs: Hayes ensures that individual band members train for specific jobs that they can fill as employees of the company.

A third partner, Canadian Overseas Log and Lumber, was invited to market the logs not used for the sawmill on the open market. Canadian Overseas finances the logs to the mill in return for marketing rights to the 300,000 cubic metres on an agreed commission.

Objectives and Decision-making Processes

The commercial relationship between the Ditidaht and Hayes began with an attempt to re-engineer the sawmill to profitable status. Hayes provided technical expertise, including a new cut profile that provided new markets and profitability. Chief Jack Thompson later approached Hayes with a proposal to enter into contract negotiations to begin the logging operation. Hayes would contribute its management and engineering expertise to make the operation profitable, invest \$10–15 million in infrastructure (e.g., roads) and

assist with accessing financing. The Ditidaht would provide the fibre and support its members in becoming effective employees in various aspects of logging and engineering.

Accomplishments

The relationship between the Ditidaht and Hayes began with a cooperation agreement that covered the basic elements of their interest in working together. This was followed by contractual agreements that also provided for capacity-building measures such as mentoring and employment with Hayes and other service providers to the operation. Over time, the logging operation will include silviculture and deactivation. The partners credit one another for their open communication, leadership, accountability and ability to adapt to changing conditions.

Elements of Success

- Clarify decision-making processes and responsibilities.
- Assess the “readiness” of both your organization and the partner organization and address deficiencies.
- Create tangible value for both parties.
- Understand the respective business environments/cultures.

Summary

Ditidaht • Hayes

- Find out how to get into the driver’s seat and use it to accomplish your goals. We recognized and seized a unique opportunity to create economic development.
- Choose your partners carefully; check them out. Our first joint venture partner was not financially viable.
- Be conservative in your business plans and don’t undercapitalize.
- Be open and honest to achieve mutual benefits.
- Recognize that communication is important when developing relationships.

Case No. 6:

NK’MIP Cellars— Osoyoos Indian Band and Vincor International

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Category: B.C. Interior/Rural
Sector: Manufacturing, Agriculture
Type: Joint Venture, Lease

Project Overview

NK’MIP Cellars, overlooking the shores of Osoyoos Lake, is a joint venture between the Osoyoos Indian Band Development Corporation and Vincor International, based in Mississauga, Ontario. Vincor is North America’s fourth-largest producer and marketer of wine. Inkameep Vineyards supplies the over 900 tonnes of grapes per year in more than 10 varieties to NK’MIP Cellars. The winery has already received numerous international awards for its products.

The 2002 joint-venture partnership grew from a long-standing business relationship that began when Vincor purchased Brights Wines in 1995. Brights had been leasing a winery from the Osoyoos Indian Band (OIB) since 1979 on NK’MIP vineyards (250 acres). Vincor took over the lease in 1995 when it acquired Brights and at the same time negotiated a long-term lease agreement for vineyard land.

Today Vincor leases over 850 acres from the band, and the partners negotiated the joint venture winery, NK’MIP Cellars Winery, which began operations in 2002.

Under the terms of the lease agreement, all capital

improvements on the leased vineyard lands will revert to band ownership at the completion of the term. The lease agreement for these lands includes a provision for employment and training of band members by Vincor.

The Osoyoos Indian Band Development Corporation is the economic development arm of the OIB and manages 10 corporations involved in tourism, recreation, construction, agriculture, forestry, retail and wine. The OIB owns over 32,000 acres, many of which have prime urban and industrial development potential. The Development Corporation and its visionary CEO, Chief Clarence Louie, have been honoured with several awards from the Aboriginal Tourism Association of British Columbia, including the Tourism Conservation Award and an Inspirational Leadership Award. Chief Louie has been named by Maclean's magazine as one of 50 Canadians to watch.

Reasons for Entering the Partnership

OIB had undertaken a visioning process for its community that included socio-economic development objectives, significant investment in human development (education and training) and a long-term desire to achieve self-sufficiency. The platform of its economic development plan is a destination resort with a winery as the anchoring point of the strategy. Following its loss of a provincial bid for a casino licence, the band approached Vincor in 1999 with the idea of building a 15,000-case capacity estate winery in a joint venture partnership. The band had always wanted to own and operate a winery but needed a business partner with expertise in operating a winery, building a brand, marketing and creating a revenue base with a reasonable rate of return on the \$5 million investment.



Working with Business to Preserve Our Past by Strengthening Our Future

Chief and Council are elected to serve as the authorized government and legal authority on the reserve. They are responsible for ensuring that the Band Office, Resource Centre, Educational Services and Band Businesses are operating effectively, producing profits and that all operations and activities are addressing the social, educational, cultural and physical needs of the community.

Our Goals

- to increase the level of education in the following areas: academic, athletic, vocational and cultural - and that this responsibility will be shared by the Band, parents and students to be motivated to life long learning.
 - to decrease the dependency on government funding through increased level of self generated income, joint ventures, leasing, land and resource development so that economically we can one day be self sufficient.
 - to develop programs that reduce dependency and create community involvement that brings back the traditional Indian concepts of honour, caring, sharing and respect.
 - to promote a well disciplined organization that will reduce the political influence within the Band and its agencies.
 - to increase the standard of living opportunity for every Osoyoos Indian Band Member.
- Osoyoos Indian Band website: www.oib.ca

Vincor had already entered into a lease agreement in 1997 for a vineyard on OIB reserve lands that included training and employment provisions and transfer of capital assets at the end of the lease. When approached by OIB in 1999 to discuss partnering on the winery, the company moved quickly to begin the joint planning process.

Vincor views OIB as an important player in its business strategy for the west and wanted to be the partner selected for the winery. Vincor also recognized this as an opportunity to further its relationship with OIB. Management recognized that the partnership would involve commitments that would not normally be part of this type of deal, but nonetheless saw the investment decision as sound.

Objectives and Decision-making Processes

Together, Vincor and OIB developed a business plan based on OIB's vision of the destination resort. The wine business is brutally competitive, leaving no margin for inefficiencies in the operation or marketing of the product. The picture that emerged told them they faced a challenge getting a reasonable rate of return, but that it was possible. Vincor cites the business acumen of OIB's chief operating officer, Chris Scott, which helped them to proceed with a common understanding of what needed to be done.

The commercial agreements (lease and joint venture) contain all obligations of both parties, including capacity-building provisions for OIB. The 10-year joint venture agreement provides for a share in revenue and employment/training opportunities for community members.

The board consists of three representatives each from OIB and Vincor (Canada) and meets twice yearly. Vincor is responsible for administration and operation of the winery. The Vincor management team, together with NK'MIP is responsible for developing five-year business plans, and business progress is reported in quarterly reviews that also are part of the management process.

The OIB's Development Corporation is governed by a board of directors composed of band members and guided by a separate advisory board of business experts. The concepts of legitimacy and voice in governance, according to Chris Scott, are essential ingredients in Aboriginal community development. The development corporation shares information about economic development and seeks input from small community groups on a regular basis. Vincor often participates in community meetings and events and works with the band leadership to manage issues that arise concerning the business. Chris Scott notes that "in reality, there can be no separation of business and politics in Aboriginal communities; the shareholders are also constituents. You have to manage that dynamic in order to succeed with economic development plans."

Scott also notes that, while the technical aspects of business development by First Nations are becoming well-documented, the crucial roles of leadership and relationship-building are less understood. "Community capitalism" is different

from entrepreneurship or community economic development. To succeed, community capitalism requires the acceptance of risk – and of failures – as opportunities to learn, and attention to both the business and the people involved in the enterprise.

Third Party Resources

OIB has the distinct advantage of prime real estate for vineyards and the beauty of the surroundings for resort development. To bring the development plans forward, the band and Vincor involved their lawyers, and an independent consultant assisted with the proposal to Industry Canada (Aboriginal Business Canada) and Indian and Northern Affairs Canada. The lawyers representing both partners had prior experience in Aboriginal law, which helped to strengthen the business relationship.

While the OIB Development Corporation had the business acumen needed, it faced a common challenge for First Nations —financing. In addition to injections of funding from the federal government, the partnership has acquired debt financing, drawing heavily on Vincor's knowledge of financing.

Accomplishments

The combination of quality product and the cachet of Aboriginal branding has proven successful. In partnership with Vincor, OIB says it has built a brand that inspires confidence in their product and developed long-term capacity for the First Nation. Unemployment in the community is at 12 percent, and quality of life has improved dramatically with 75 to 80 percent of profits flowing back into community infrastructure, programs and dividends to member shareholders. Today, with businesses managing budgets nearing \$15 million annually, revenues exceed federal transfers to the community sevenfold.

Martin van der Merwe of Vincor says they have created a business that is generating quality products in a highly competitive industry and are focusing on growing their grapes for the premium market, which they believe will create an attractive return on investment. In less than four years, NK'MIP Cellars has grown from a 15,000-case to an 18,000-case winery and from four to eight varietals. Notably, a growing proportion of the varietals are now being marketed in the higher quality and pricing tier, labelled Quam Qumt for

“achieving excellence.” This marketing strategy achieves the vision of OIB to offer a premium product in the west and a substantial share of sales through the winery itself.

The initiative has made great strides, with some of NK'MIP's wines continuing to win awards at wine competitions. Chief Louie is working hard to achieve the vision for OIB; he is encouraging people in his community to take advantage of the opportunities now available to them.

NK'MIP Cellars is followed by a number of other developments at the site, which combined are creating a four-season destination resort. Spirit Ridge Vineyard Resort and Spa features luxury accommodations, restaurant, spa and the Sonora Dunes golf course. The Desert & Heritage Centre, scheduled for completion in the spring of 2006, is the focus of the resort, and will offer visitors a “discovery” experience through multi-media productions, a pit house and a feature rammed-earth wall. OIB also has acquired equity participation in a significant expansion at nearby Mount Baldy Ski Resort. Together with the local municipalities of Osoyoos and Oliver, OIB is developing marketing and development strategies to bring more visitors to the area.

Lessons Learned

According to Chris Scott, many Aboriginal communities are led to believe that joint ventures are a recipe for success when in fact they are so complicated that they are poised to fail. He advises Aboriginal businesses to understand the language of business and view a partnership the way one does a marriage: “there will be bumps along the way, and only a strong commitment to the long-term will get you through them.”

For Vincor, partnering with OIB and engaging its members in the learning process has required more time than would be expected with a partner experienced in the wine industry. That said, Vincor has built a good working relationship with OIB and its strategy is succeeding.

Conclusions

Leadership and commitment are the key defining factors in the success of OIB's partnership with Vincor. Chief Clarence Louie and Chris Scott of the OIB's economic development corporation have worked very hard to acquire the business tools needed, bring understanding of two cultures

together to serve the community's objectives, educate community members about what it takes to succeed in the business world, and hold people accountable for their performance.

Vincor joined OIB in creating an integrated vision that met the test of both community objectives and market realities. It effectively engaged its organization to transfer business and financial expertise to the partnership and OIB's economic development corporation. The corporate-Aboriginal partnership takes more time to develop than one in a non-Aboriginal setting, but the effort builds a stronger relationship that is more likely to withstand the inevitable challenges of business.

Elements of Success

- Create tangible value for both parties.
- Assess the readiness of both your organization and the potential partner organization and address deficiencies.
- Practise leadership and integrity.

Summary

Osoyoos Indian Band • Vincor

- Enlist the advice of business experts in building your capabilities. Bring in advisors. Bring in a world player. Learn the business, accounting, marketing and advertising.
- Practise integrity continuously.
- Start with something you are certain will succeed; this will earn confidence from community members.
- Work with a community that is ready to work with you: a competent business manager and strong leadership are essential.
- Build plenty of time into the process.
- Be prepared to interact directly with community members if needed.

Case No. 7:

Kaska Minerals Corporation

— Ross River Dena and Teck Cominco

Partners and Contact Information:

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Category: B.C./Yukon, Northern
Sector: Minerals Exploration and Mining
Type: Lease, Joint Venture

Project Overview

In 1993, geologists from Cominco Ltd. (now Teck Cominco Limited) discovered zinc and lead resources near Finlayson Lake in the Yukon. The area is within a region recognized by the Kaska Nation as its traditional territory and is the subject of land claim negotiations between the Kaska and the federal and territorial governments.

Teck Cominco entered into a socio-economic participation agreement with the Ross River Dena Development Corporation, acting on behalf of the Ross River Dena Council. A mine project was approved, but low metal prices and high transportation costs prevented the project from proceeding unless additional resources could be discovered.

After extensive exploration, the only land in the area that remained unexplored included lands set aside for treaty settlement. The lands, known as “reserve blocks” or “R blocks,” were set aside under Orders in Council that prohibited any kind of development pending settlement of land claims. Both Teck Cominco and the Kaska Nation wished to advance the mine project. With 10 years experience in working cooperatively, they sought joint solutions that could accommodate exploration and possible mineral development on the R blocks. The Kaska were interested in securing economic opportunities, an ownership interest in the mine and environmental protection of the land. Teck Cominco wanted to secure access to the land and the right to explore and extract mineral resources.

Together, the Ross River Dena Council, on behalf of the Kaska Nation, and Teck Cominco approached the Yukon government with a proposal that the Yukon government lease R block 15 (R-15) to a wholly owned Kaska company, Kaska Minerals Corporation. Kaska Minerals would then enter into agreements with Teck Cominco that would allow that company to earn the right to explore and mine R-15.

The Yukon government agreed to this approach and entered into a lease arrangement with Kaska Minerals as an interim measure in advance of concluding the land claims process. The lease, which is initially for five years, will allow the Kaska Minerals Corp. to access the land for mining exploration and development. Royalties (a percentage of the output value of the mine) will flow to the Yukon government, and then to the Kaska once the land claim is settled.

Kaska Minerals Corp. has granted Teck Cominco an option to acquire at least a 70 percent interest in the R-15 lease. Teck Cominco can earn this interest by completing \$2 million in exploration expenditures over a four-year period, and by making cash payments totalling \$450,000 over a seven-year period. This would include \$25,000 on signing. Teck Cominco must complete a preliminary feasibility study within 10 years.

Reasons for Entering the Partnership

The community of Ross River is located northeast of Whitehorse near the junction of the Campbell Highway and the Canol Road, in the Tintina

Trench beside the Pelly River. With a population of approximately 400, the community is governed by the Ross River Dena Council and is affiliated with the Kaska Tribal Council. The Kaska have witnessed mining activity in their traditional territories since the early 1900s and overland traffic since the 1940s.

Teck Cominco Limited is a diversified mining, smelting and refining group headquartered in Vancouver. A major producer of metallurgical coal, zinc, copper and gold, Teck Cominco actively explores for mineral deposits throughout the world with exploration offices located in nine countries. Teck Cominco has considerable success working with indigenous communities, particularly in northern Canada and Alaska and more recently in Peru and Mexico.

The company works with community organizations to help create opportunities locally through all activities related to mining. Training and skills development in the local population provide lasting benefits, while royalty and tax payments contribute to the provision of infrastructure, education, health care and other services.

Teck Cominco has extensive experience in exploration and mining in the north, and relationship-building with indigenous communities is well integrated into its business practices. It sought guidance from Kaska leadership and embarked on a relationship-building process modelled on previous experience. A socio-economic benefits agreement was signed, plans for infrastructure (roads, etc.) developed and heritage studies completed by 1995.

Following the initial investment, however, exploration was put on hold pending completion of the land claims process. In 2003, the Yukon acquired control over land and resources and a mandate to include Aboriginal people in economic opportunities.

Both the Ross River Dena and Teck Cominco had an interest in seeing exploration activity resume. Exploration, facilities and mine operation combined are expected to create roughly 250 jobs on a fly-in/fly-out basis, and a camp facility on site. The Ross River Dena would almost immediately see socio-economic benefits flow to the community from employment opportunities,

considerable spin-off business opportunities, the carried interest and the potential to acquire increasing shares in the mine.

Objectives And Decision-making Processes

Over a period of four years, the Ross River Dena and Teck Cominco reached a series of agreements to satisfy socio-economic and traditional use objectives. An advisory committee representing both has facilitated the decision processes. Teck Cominco and the Kaska Tribal Council recently updated the socio-economic agreement.

The commercial joint venture agreement between Kaska Minerals Corp. and Teck Cominco is near completion and is expected to receive approval by band council resolution. Following this, the option-to-purchase agreement will be finalized. Within Teck Cominco, responsibility for the socio-economic and business relationship with Ross River Dena rests with the Environment and Corporate Affairs and the Exploration and Mining groups. Once the mine is operating, most decision-making will move to site operations.

Extensive discussions between the parties and with representatives of similar projects (e.g., Red Dog Mine) provided the information needed to proceed with clear objectives. A community coordinator provided information such as a human resources skills inventory to help with training and employment plans.

Third Party Resources

The joint venture requirements have been funded to date by lease monies, and Teck Cominco funded independent legal counsel for the Ross River Dena. However, Ross River Dena's future acquisition of interest in the mine will need financing of \$15–22 million.

Accomplishments

Teck Cominco's approach to "planning with the end in mind" has led the company to make investments in building mutual trust and respect that will underpin the ongoing relationship. The result is the predictable operating environment that business needs to operate the mine, based on a solid licence to operate from the community. Regulatory and Public Affairs Director David Parker notes that "the mutual commitment to success of the project will help as we work through

the regulatory process and the tough issues that invariably arise.”

In addition to the spin-off business and other socio-economic opportunities associated with the project, Kaska Minerals will retain a 15 percent carried interest to mine production repayable from project proceeds. They have the right to elect a six percent direct interest on completion of the \$2 million expenditure by Teck Cominco and a further nine percent direct interest on delivery of a feasibility study by repaying Teck Cominco’s equivalent prior costs, plus a premium.

Lessons Learned

John Witham, president and CEO of Kaska Minerals sends a clear message to Aboriginal communities and businesses seeking to achieve development objectives in partnership with corporations. In order to create conditions that will make the area attractive to investors (human resources, facilitation of government relations, capital), Aboriginal organizations need to move to a straight business model quickly. He advises them to learn about the type of business they want to pursue, “be prepared to bring something tangible to the table before making contact with corporations” and maintain a clear separation of business and political accountabilities.

From the corporate perspective of Teck Cominco, David Parker says corporations often fail to build enough time into the front end of the process to adequately establish a working relationship with Aboriginal organizations. Establishing a high level of trust is essential, as is providing context in the form of visual and other supporting media to help develop concepts and plans. He notes that

in building successful long-term business relationships it is important that the parties share reasonable expectations and a good understanding of the opportunities and risks associated with the venture. This is particularly true when business associates are Aboriginal leaders acting on behalf of a First Nation. Although they may be representing a corporation, their responsibilities

to their members may be extended to include consideration of their pursuit of traditional social and cultural activities and ties to the land, as well as economic opportunities. To deliver on that burden of responsibility they must be able to establish and rely on relationships built on trust

and underpinned by forthright communications and information sharing.

Conclusions

Teck Cominco and the Ross River Dena invested heavily in the relationship-building process before proceeding with business plans. The potential benefits were understood and supported by the community, including elders, and both parties negotiated with integrity. John Witham suggests that corporations should approach First Nations with the understanding that they may appear threatening to them. “A comfort level may take time to establish. Spend the time it takes to earn peoples’ trust before talking about business.”

Elements of Success

- Create tangible value for both parties.
- Understand the respective business environments/cultures, learn and be flexible.
- Understand the role of timing.

Summary

Ross River Dena • Teck Cominco

- Ensure that you have clear business objectives and accountabilities from the politicians and assurances that the political process will remain separate from the business operation. This has helped our business planning process and our relationship with Teck Cominco.
- Consult with the various departments and interested parties to get internal alignment, whether it is within a tribal council or a large organization like Teck Cominco.
- Engage them in the process early so you get better decisions, clearer understanding and agreements that reflect well-founded expectations. This allows for greater certainty and continuity as a project advances.

Case No. 8:**Destinations Aboriginal Careers in Tourism— Aboriginal Community Career and Employment Services Society (ACCESS) and Destinations and GT Hiring Solutions****Partners and Contact Information:**

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Destinations and GT Hiring Solutions

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Category: Vancouver/Urban

Sector: Tourism, Employment Services

Type: Contract, Seconded Employees

Project Overview

Destinations Aboriginal Careers in Tourism works with employers in the Lower Mainland and Fraser Valley regions of British Columbia to connect clients with available jobs suited to their skill sets. The program is designed for unemployed persons of Aboriginal descent in these regions who are interested in a career in tourism. In addition to connecting clients to industry, employment coordinators offer job search assistance and services such as resume writing, work experience practicums, transportation and skills workshops.

Destinations Aboriginal Careers in Tourism is delivered through a partnership between ACCESS and GT Hiring Solutions within the Destinations organization. The partnership is based on a contractual model (one year) with provisions for Aboriginal counsellors on staff and a client-to-staff ratio that provides for additional services to Aboriginal clients.

The Partners

ACCESS is a cooperative venture of the off-reserve Aboriginal community of the Vancouver Regional District (GVRD). Funded by Human Resources Development Canada, ACCESS provides counselling and other services to enable Aboriginal clients to overcome employment barriers through the acquisition of appropriate skills. Some of the services include individual counselling, job search, training, continuing education funding and skills development, loans or grants.

Destinations is a partnership between government and the tourism industry that connects employment candidates with tourism jobs in areas such as accommodation, food and beverage service, tourism services, transportation, travel trade/tour operators, adventure tourism and accommodation. Destinations Aboriginal Careers in Tourism was created within the main Destinations organization to serve Aboriginal clients.

GT Hiring Solutions is a partner in both Destinations and Destinations Aboriginal Careers in Tourism. It is a wholly owned subsidiary of Grant Thornton LLP, a public accounting firm, and provides human resources services and products to a wide range of partners and clients. GT Hiring Solutions operates the Destinations Tourism Employment Centres across British Columbia.

Reasons for Entering the Partnership

In 2001, ACCESS invited Destinations to begin discussions aimed at establishing closer ties with the tourism industry. ACCESS saw tourism as having considerable potential for its many young Aboriginals seeking employment. With a shrinking client base, Destinations was looking for new sources of candidates for positions with their employers. The Aboriginal population is relatively young and entering the job market at steady rates.

Objectives and Decision-making Processes

Initial talks in May 2002 were followed by contract negotiations a year later. The contract provides for Aboriginal employment counsellors on staff and a lower client-to-staff ratio than is usual at Destinations. The main objectives are to reach a sufficient number of placements to maintain the program and build relationships

between Aboriginal agencies and tourism operators.

The terms of the contract took longer to complete than the parties had anticipated, but this is not surprising given the innovative nature of the partnership. ACCESS and Destinations both underscored their mutual efforts to accommodate needs as they arose and be flexible and creative in pursuing options. A change of leadership at ACCESS and additional time for buy-in from the Aboriginal agencies slowed the schedule. However, a concerted information/awareness initiative and some early successes moved the agencies into full operation with a stream of Aboriginal candidates flowing into training and employment positions.

Third Party Resources

The initiative is funded by the provincial Ministry of Community, Aboriginal and Women's Services, federal Human Resources Development Canada and the Council of Tourism Associations of British Columbia. Aboriginal Tourism B.C. and the Canadian Tourism Human Resource Council provide advisory services. ACCESS clients are also being connected with construction training opportunities through the Hard Hats program, which is offered in partnership with the Canadian Homebuilders' Association of British Columbia. Aboriginal human resource development agencies in the Lower Mainland area participate in these and other programs.

Accomplishments

Destinations Aboriginal Careers in Tourism is providing connections between employers and Aboriginal candidates, and supports them with life-skills and work-skills programs to enhance their success in the tourism industry. According to ACCESS, their clients are moving into employment quickly and in larger numbers than they had expected. ACCESS CEO John Webster also notes that his organization can offer clients a broad scope of employment opportunities.

Lessons Learned

According to John Webster, the leadership of ACCESS had to bring all of its organization on board, which required additional inputs such as communicating and explaining objectives to staff. This took longer than expected. Staff had initially perceived that Destinations was associated with government income assistance

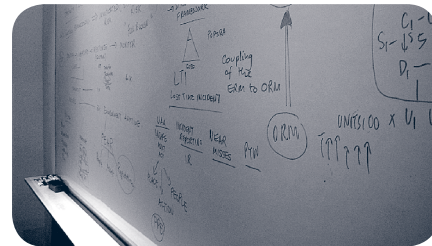
programs and did not feel their clients would participate. Once the misperceptions were cleared up, the pace of placements increased significantly. Having Aboriginal people in the coordinator roles allows them to participate in the mainstream of the Destinations organization and create the informal networks that lead to success in making placements.

Both ACCESS and Destinations representatives emphasized that the relationship-building process is most effective when it reaches all levels of the organizations involved. Clear articulation of objectives and accountabilities from top to bottom yield better performance in achieving objectives.

Conclusions

Destinations Aboriginal Careers in Tourism is demonstrating the value of connecting Aboriginal job seekers with employment opportunities. Labour shortages in several occupational groups have generated much discussion in recent years. The Aboriginal demographic in Canada shows a large contingent of Aboriginal youth that has begun to enter the labour market and could help to alleviate these shortages.

In terms of corporate-Aboriginal relationships, this partnership is relatively new and the players were unknown to each other. Unlike resource sectors where the interplay between corporations and First Nations has become more familiar, these organizations, although they had common objectives, had to work at understanding their different cultures and ways of operating. Like most of the organizations interviewed for this study, the Aboriginal partner took the initiative to form a business relationship with a corporation with specific objectives in mind.



Elements of Success

- Create tangible value for both parties.
- Clarify decision-making processes and responsibilities.
- Practise integrity.

Summary

ACCESS • Destinations

- Ensure that senior decision-makers have gained a thorough understanding of the potential partner and conveyed objectives in detail to managers and employees. In other situations where this hasn't happened, the expectations got watered down through the process and mutual objectives were not met.
- Build time into the front end of the process to understand and learn to work with cultural differences and the expectations that brings. We learned this without the benefit of having examples to draw from.

Section 4: Elements of Successful Corporate-Aboriginal Initiatives

The eight partnerships described in detail in section 3 provide insights into the elements of successful corporate-Aboriginal initiatives. From the 16 initiatives studied in total for this project, several common elements emerge. A brief review of these elements provides a fuller picture of the specific objectives of the partners, the decision processes, the accomplishments and the lessons from the experiences of interviewees.

Successful corporate-Aboriginal initiatives grow out of dialogue about the specific objectives that corporations and Aboriginal organizations seek to attain through the partnerships. For First Nations, broad nation-building requires a pool of funding and expertise to develop and manage the nation-building facets of economy, resources and administration. Corporations seek to fulfill their social responsibilities, create stability through shared goals and efforts, access land, resources and business opportunities, and draw from labour and suppliers in the local areas. Both parties are profit seeking.

Increasingly, Aboriginal communities/companies are proactively approaching corporations with ideas rather than reacting when industry knocks at the door with their proposals or plans.

The objectives met through partnership with corporations enhance First Nations' ability to:

- create economic development (income and employment) that does not rely upon government and inject funds into community development
- play a role in the management of resources
- access business/management expertise, capital and markets

As the case studies show, several of the First Nations began with community planning exercises and then pursued the resources needed to achieve their goals. Within the framework of the priorities and principles in their community strategies, these leaders invited corporations to bring their business

resources and work with them to create economic opportunities together.

Most of the Aboriginal businesses in this study brought revenue, employment and resource management objectives to the corporations they approached. Fort Nelson First Nation completed a comprehensive community planning exercise called “Reaching for Our Vision” that includes an economic strategy. Liz Logan, then chief of Fort Nelson First Nation, approached oil and gas companies with an express desire to be involved in the industry while at the same time respecting the integrity of the land and resources. The Kluane Community Development Corporation entered discussions with Golder Associates tasked with three priorities: revenue generation, employment (including training and skills enhancement) and the creation of facilities and infrastructure. Similarly, Tla-o-qui-aht First Nation operated a recreational centre for two years in response to community plans, but learned that the facilities did not generate enough profit to be self-sustaining. Following a period of incremental growth of the facility, the community approached Best Western Hotels and the Tin Wis Resort began operations in 1994.

Decision-making Processes

The most successful ventures are built on a foundation of trust and respect through years of continued relationship-building, such as between the Osoyoos Indian Band and Vincor, or a comprehensive process of dialogue and discovery, such as between ACCESS and Destinations and the Hupacasath and the City of Port Alberni. In situations where the leaders provided clear objectives and mandates to those within their organizations, there was less likelihood of losing the intent through misunderstandings by employees, or missing the mark completely. Corporate-Aboriginal partnerships are susceptible to misinterpretation of terms and concepts so clarity of intent and mandate from senior leadership is crucial.

Economic Development Models for Nation-building

Cornell and Kalt (2001) developed an applied theory for economic community development in Aboriginal communities. They found two approaches: first is “jobs and income” and second is “nation-building.”

Although both approaches start with the problem of lack of jobs and income, the solutions are quite different in process and outcome. First Nations that use the “jobs and income” approach will task an economic development officer with creating businesses to generate employment. Governance may or may not provide resources and policies that create the conditions for business to flourish. With some exceptions, the results are disappointing.

Cornell and Kalt (2001, 7) explain that “the ‘nation-building’ approach says the solution is to put in place an environment in which people want to invest.” This approach is comprehensive, developed with the participation of members and addresses the long-term vision of the community. Community leadership sets out the direction and builds understanding of the difference between political and business accountabilities. Community institutions, policies and plans create the conditions that will attract investment in business.

A nation-building approach is no guarantee of economic success, but it vastly improves the chances that economic development will take root and be sustainable. It is far more likely to produce prosperity for the nation and its people. Along with sovereignty, it is the key to economic development. (Cornell and Kalt 2001, 8)

Graham and Edwards (2003) cite five elements of community governance that attract investors:

- stable institutions and policies
- fair and effective dispute resolution
- separation of politics from business
- a competent bureaucracy
- cultural match (cultural match between governing institutions and their constituents is considered essential to community support and preventing politicization)

The adage about separating business from politics warrants discussion. The optimal model sees the creation of an economic development corporation that operates under professional business managers responsible to a board that includes professionals from the business community outside the First Nation. As the cases included in this study show, however, a range of different structures can effectively facilitate business development activities. Most of the joint ventures and

Aboriginal businesses are—or will be—governed by boards of directors consisting of community and outside business experts. Some have created separate advisory boards of outside business experts to counsel the board.

What is common to the successful ventures is that the businesses and community members are clear about their roles and the responsibilities of business to the community, and the business managers are free from political interference. According to Andrew Lee of the Harvard Project on American Indian Economic Development, “the Harvard Project has surveyed about 125 enterprises on more than 30 reservations. The results are striking ... tribal enterprises that were insulated from political interference ... were four times as likely to be profitable than those that were not.”

In reality there can be no separation of business and politics in Aboriginal communities, the shareholders are also constituents. You have to manage that dynamic in order to succeed with economic development plans.

- Chris Scott, Osyoos Indian Band Corporation

Agreements

Letter of agreement, joint venture or contractual relationships are the most common types of ventures between the corporate and Aboriginal businesses in this study. For those entering into commercial ventures without a prior relationship, a commonly used tool is a memorandum of understanding, cooperation protocol or socio-economic agreement that spells out the basic elements of their mutual interest in working together. These agreements are normally negotiated between a corporation and a band administration with the broader political objectives in mind (e.g., socio-economic objectives, corporate objectives and political process). First Nation communities often strike a steering committee to coordinate the broader decision processes that affect the interplay between socio-economic and business objectives.

In letters of intent or memorandums of understanding, you need to include due diligence costs and provisions that the other party can bind the entity he or she represents. Ensure the other

party has sufficient resources to close the deal. Corporations are often motivated by being able to get First Nations onside or in agreement with their projects. They don't always understand what costs will be involved, the special relationship the First Nation has with the land, nor the resources that can be interpreted as equity interest in the project.

- Lyle Leo (Tmusta7), Lil'wat Nation

The commercial agreement clarifies the business and decision-making processes, objectives, roles and responsibilities of the partners. It also usually contains special provisions for training, employment and other variables. Negotiation of a business arrangement between corporations and Aboriginal businesses tends to take longer than between non-Aboriginal companies. Having shared or complementary objectives facilitates the decision-making process, as does a prior relationship. Most partnerships use joint management committees to facilitate information sharing and broad direction. These committees tend not to participate directly in management of the venture.

Essential to the success of a joint initiative is having business expertise at the helm. Each successful business operation is led by talented business professionals with the ability to navigate between the Aboriginal and corporate cultures to build the confidence needed to take risks and drive both the business and the community agendas forward. These savvy business managers are hard to find.

Also essential are awareness of the business objectives and opportunities for participation by community members. Most communities involve elders in community decisions of significance—particularly those involving environmental concerns. Hupacasath members, for example, have been granted opportunities to make representation to Eagle Rock's board of directors. Most participants in this study found that, as communities reap the benefits of making and managing sound financial investments over time, they tend to develop a greater appreciation of the ability of business to contribute to the aspirations of the community.

In mid-November 2005 over 30 Lil'wat Nation community members, elders, youth and representatives of the Resource Business Ventures construction crew visited the Whistler Nordic Centre construction site. Upon receiving more information on the 2010 Winter Olympic developments through community information meetings, newsletters and site visits to venue development sites, the Lil'wat community members are gaining more knowledge of their participation and benefits from the games and are becoming more supportive and confident with accepting strangers visiting and using their traditional lands.

Corporate Decision Roles

These joint initiatives often challenge organizations to be creative and purposeful in their decision-making. In the case studies, corporate negotiators found it necessary to build more time and dialogue into the process than is necessary in a corporate-to-corporate transaction. For example, Terasen sought a simple contractor/employer relationship with Khowutzun Mustimuhw Contractors (KMC), an operating company of Khowutzun Development Corporation (KDC). However KMC's inability to obtain bonding became a limiting factor. After determining that the risk of not having a bond was not significant, the company eliminated this requirement for all construction contractors.

Engaging effectively by aligning policies and systems with the needs of the partnership is also challenging for corporations. Many corporations that have long worked with First Nations primarily to access land and resources have well-developed decision processes in place that no longer require significant executive level involvement. At Teck Cominco, for example, authority and accountability are now vested in relevant functional departments.

Third Party Resources

Several of the First Nations in this study applied to federal funding programs for assistance with capital, feasibility plans and business plans, with varying rates of success. Circumstances and opportunity led Haida Environmental to launch its operation without a business plan, and it has not been successful to date in accessing federal funding

for this purpose.

Financing is a major challenge for most First Nations on two fronts. First, most Aboriginal communities have no or little ownership of the land and resources that they occupy, use and sometimes manage. This presents a relatively high risk profile (because of lack of collateral) when they approach financial institutions. Therefore, established Aboriginal contractors continue to have challenges acquiring performance bonds. Second, debt financing is a relatively new concept for First Nations in British Columbia. Several of the corporations provided guidance and support to their Aboriginal partners in securing financing. (These included Ensign, Vincor, Terasen and Hayes.) Unable to access bank financing for its resort, Tla-o-qui-aht First Nations turned to the Nuu-chah-nulth Tribal Council to finance phase one of the project, Clayoquot Sound Central Region Economic Working Group Fund for phase two and Business Development Canada for a subsequent expansion project.

Many of the partnerships also used the services of lawyers and hired consultants to assist with coordinating funding proposals. Clearly, there is benefit in finding legal resources with expertise in Aboriginal law. The Osoyoos Indian Band found that this knowledge provided creative options to the partners and strengthened the business relationship. In situations where legal counsel is unfamiliar with Aboriginal law, the partners must provide detailed guidance to avoid binding to unworkable processes.

Accomplishments

Several Aboriginal leaders noted that value is measured in terms of the impact on the health of their communities and culture. Profits from enterprise are funding the rebuilding of culture and protection of rights that are vital to the health of First Nation communities. On both counts, these communities are seeing encouraging results that further build community support for economic development.

The joint venture business has created a platform for other business and community investments (streets, sidewalks, gymnasium, daycare, etc), and provided construction and skill development opportunities through content requirements on construction contracts.

The community has moved from a social demographic of high rates of substance abuse, poverty and transience to a more cohesive community with low levels of problem social indicators. The idea of entrepreneurship is flourishing.

- Chief Leonard George, Tsleil-Waututh Nation

Most of the participants studied believe they are meeting all of their objectives. Some examples:

- As a result of the business development activity, Khowutzun Development Corporation generates \$22 million in gross revenue and a solid line of businesses that have now expanded to employ a total of over 300 people. Mount Currie has improved its balance sheet at the band level and is investing in human resource development.
- Projects such as Kaska Minerals and Eagle Rock provide an economic platform for diversification, generating additional lines of business. These two examples offer spin-off opportunities for companies offering services in trucking, trades, accounting and environmental services.
- Employment and connections to employers result in unemployment levels in these communities that are much lower than the average. For example, unemployment sits at about 12 percent for the Osoyoos Indian Band.
- Destinations is moving Aboriginal clients into employment quickly, surpassing ACCESS's expectations of both quantity and scope of opportunities. Similarly, the STEP pilot placed far more trainees into apprenticeships and related jobs than anticipated.
- Projects provide a revenue stream (return on investment or ROI) that funds community development and other business ventures without total reliance on government. Osoyoos Indian Band and Tsleil Watuth are funding programs and infrastructure in the community in critical areas that have long been under funded, and OIB is reinvesting revenues in businesses that provide services in the region.
- Community members receive training and mentoring in occupations such as logging, engineering, hospitality, tourism, wine-making, management, oil and gas operations,

environmental research, construction, camp and catering services and accounting.

- Communities learned how to access bank financing and how to generate an acceptable ROI. Fort Nelson First Nation learned from its corporate partners how to package its proposal for bank financing and how to get the best rate possible. Ditidaht worked with Hayes to find alternative wood and cutting methods to raise its ROI on its sawmill.
- Communities gained control over natural resources, human resources and economic development. Hupacasath has demonstrated the ability to establish 'green' energy options on a commercially sound footing to address the need for power on Vancouver Island.

Corporations also reported success in achieving their goals in partnership with First Nations and Aboriginal businesses. For corporations seeking a predictable and optimistic business environment, the joint initiatives serve as just one piece of what has become an important relationship: both parties to these agreements look to a picture bigger than the venture itself. Several pointed to expanded business opportunities that have been made possible through their collaboration: enhanced access to markets and labour, and more efficient regulatory processes. Corporations considered working with First Nations a value-added approach.



Elements of Success

From the case studies, some common themes emerge that can help corporations and Aboriginal businesses understand the successful tools, approaches and practices that led to their success in partnership and in achieving their business objectives.

1. Practise integrity.

Some companies view First Nations as easy to take advantage of, and that has, in part, created the trust issues that hinder relationship-building. 130 years of damage to Aboriginal people means that corporations should be prepared to go over and above the normal commitments they would make in other business relationships – that can initially affect returns.

- Chris Scott, Osoyoos Indian Band Development Corporation

Integrity and demonstration of commitment are key in the corporate-Aboriginal milieu for a number of reasons. First, the cultural divide lends itself to misinterpretation of concepts and terms. The partners must create a comfortable space for dialogue and inquiry before attempting to make decisions. Ted Williams of Khowutzun Development Corporation likens this to “dating before marriage”: “we prefer to establish a working relationship and understanding of policies and pay structures before considering a joint venture.”

Second, the Aboriginal business’s shareholders often live in the same neighbourhood. Failure to live up to commitments has a more serious and longer lasting effect on corporate reputation than is experienced in mainstream commerce. Corporate representatives therefore should make themselves known personally to Aboriginal shareholders by visiting the community and sometimes assisting the Aboriginal business partner at meetings with concerned individuals.

2. Create tangible value for both parties.

Successful ventures have a solid sense of shared value that is supported by ongoing commitment from the leadership of both organizations. When clearly articulated, shared values give meaning and purpose to the venture. Aboriginal community members grow to appreciate the role

of business when they see unemployment levels drop, community programs and infrastructure strengthened and their values respected in the process. Similarly, corporations succeed in engaging their organizations when the business case is strong and tied directly to its overall business objectives.

Carefully evaluate the benefits being offered by a company and ask what can be gained by working together—don’t simply ask the company what it wants: ask what it can offer. Keep focused on the objectives and keep commitments—respect that corporations are mindful of time and resources. Accept opportunities to benefit from transfer of knowledge from corporations. Learn enough to keep expectations reasonable.

- Earl Smith, Hayes Forest Services

Joint initiatives that have support from the Aboriginal community—and from the community at large if the initiative has broad effects—receive required approvals faster and with fewer complications. The Hupacasath learned this when its joint ventures, Eagle Rock and Upnit Power, shared information about its proposed project with several community organizations in the region to ensure that it had addressed concerns and would have broad support for its project plans. The company also created a charitable foundation to fund community development in the region.

3. Clarify objectives, expectations, what you offer—and what you don’t.

We understood each other well, which gave us comfort in putting our cards on the table—having the type of relationship that allows us to expose our respective ignorance creates opportunities to address potential gaps.

- John Disney, kluu laanas Economic Development Corporation

Understanding your partner’s objectives and motivations is essential to the success of corporate-Aboriginal ventures. A deep knowledge provides both with predictability and stability, and leads to achievable plans with reasonable expectations. This knowledge is gained by getting into each other’s organizations and learning about them. Dwain Bell describes as “walking in their path”

Terasen's efforts to engage its employees in the process of relationship-building with Cowichan by offering seminars on Aboriginal history, culture and treaty-making, inviting First Nations to share in their celebrations and demonstrating leadership commitment.

4. Understand the respective business environments/cultures, learn and be flexible.

We are first generation business people, so need to enlist the advice of business experts in building our own capabilities. Bring in advisors if you don't have the know-how. Bring in a world player. Learn the business language: accounting, marketing, advertising ...

The whole concept of the self-sufficiency scorecard being the balance sheet (profits/losses) is new to Aboriginal people. Our Indian Affairs system is bureaucratic and doesn't motivate people to grow. When you depend on government funding, you have no way to measure how you are doing. Business involves discipline and accountability—ultimately self-sufficiency for our people.

- Chief Clarence Louie, Osoyoos Indian Band

The leading Aboriginal development corporations studied here acquired the means to “bridge” the different business cultures, typically through business managers who can create a shared understanding of business priorities, while at the same time preserving the integrity of the respective organizations.

Corporate culture is grounded in opportunity and calculated risk. First Nations that want to create business development should step forward and talk about ideas with companies in their vicinity. Too often they wait for the company to make the first step. And too often, the companies approach First Nations only when they need something, positioning the two across the table rather than around it. First Nations can benefit by understanding the constants of the business world, investing in their people and working with business—not against it.

Cultural awareness and support of Terasen employees made the transfer of business and technical knowledge to Khowutzun possible.

Employees were at the least receptive and at the most initiating business activities and social events with Cowichan Tribes. It is not simply a business-to-business relationship. If it were, the Aboriginal business would either refuse an offer to work together or not stay for long. Without cultural awareness, employees would not understand why a First Nation would walk away from what seems like a good opportunity.

For example, the staff at ACCESS did not initially refer clients to Destinations in the numbers that had been anticipated. ACCESS and Destinations discovered that the staff needed to become more familiar with the program to dispel some assumptions about the role of government in the program (they thought it was a welfare program). Having Aboriginal people in the coordinator roles places them in positions where they can access information, network and learn about Destinations first-hand, thereby helping to bridge the way for clients.

5. Assess the readiness of both your organization and the potential partner organization and address deficiencies.

Aboriginal Business:

- Recognize that a strong chief and council who support business development and clear lines of accountability are essential. Policies and procedures of the band administration create the conditions for business development to occur.
- Establish clear decision-making structures and accountabilities that consider the role of political leadership and the community relative to the business.
- Provide sufficient administrative and organizational resources to the business manager(s).
- Prepare a business plan and adequately capitalize your operation (be conservative in your estimation of resources needed and expected returns).
- Be prepared to assume risk. Find a way to develop a pool of collateral and come to the partnership with your own money.
- Find a business manager who understands business and Aboriginal culture. For example,

the chief operating officer of the Osoyoos Indian Band (OIB) works closely with Vincor and the community to review options, and brings the perspective that something can be achieved for OIB by taking advantage of the opportunities that business provides.

- Invest heavily in training that leads to meaningful employment; otherwise, benefits won't be realized.
- Select a corporate partner with the ability to invest and/or be creative in its approach to start-up.
- Prepare for disappointments: working with corporations can be complicated and frustrating.
- Conduct due diligence and learn about the potential partner's track record.

Don't proceed unless you can get onto the same page and understand what it will take for the project to succeed—include a discussion about the possibility of financial losses.

- Andrew Popko, EnCana Corporation

Corporations:

- Obtain a clear and detailed mandate, budget allocations, action plan and accountabilities from senior management.
- Position the organization to meet the objectives of these joint initiatives through allocating appropriate resources and planning. Consulting with the various departments and operators internally and engaging them in the process early provides better language and understanding of concepts like tendering.
- Look for political and community stability, and ensure the Aboriginal business possesses sufficient support for business development.
- Invest time in training/mentoring and communicating with the community to transfer knowledge. The resulting quality of the service or product will be superior.
- Follow through on commitments.
- Prepare for disappointments; working with Aboriginal businesses can be complicated and frustrating.
- Have a back-up plan in case things don't work out.

6. Understand the role of timing.

Business is conducted in an environment of trust and respect, which usually takes a long time to acquire. The most successful and easiest initiatives emerged organically from existing relationships. Achieving support from the Aboriginal community entails longer timelines than in traditional business joint ventures. Corporations benefit from starting dialogue before project plans are finalized and building time for relationship-building into advanced planning phases.

7. Look to the long term and plan.

A corporate-Aboriginal partnership can create a platform for growth and new opportunities if the revenue stream is invested consistent with community plans and expertise is transferred from the corporate partner. Several of the economic development corporations have created diversified lines of business, starting first with those serving the anchor business.

The business plan should also allow for potential changes in the markets for the product or service and include a planning process to address changes. When the gas installation market on Vancouver Island began its decline it affected more than just Khowutzun Mustimuhw Contractors (KMC). The profits from KMC were funding other, non-construction related activities, which suffered when the market declined. The Khowutzun Development Corporation (KDC) recognized a new opportunity when the band was about to contract a waterworks project to outside suppliers. KDC reminded the band administration that it had the construction expertise to do the job. The band administration and the development corporation had to work together and come up with a diversification strategy to survive the shift in the natural gas distribution installation market.

Since that time, all new construction-related opportunities are being developed within the community.

Section 5:

Self-Assessment Tool

This guide can be used to assist in the creation of joint corporate-Aboriginal projects/ programs and to evaluate progress as the venture develops. Ideally, the parties to a joint initiative will use this guide to develop plans together.

The following checklist of practices and resources is based on the main themes discussed in Section 4.

Instructions

For each of the seven areas:

- Read through each statement and the indicators.
- Check the box beside each indicator that applies to your initiative.
- Fill in the action required to address the applicable indicators.

1. Practise integrity.

Indicator	Yes/No/NA	Action Required
Business objectives are grounded in a business case that is supported by your organization.	_____	_____ _____ _____
Commitments are made with the intent of achieving tangible outcomes that are valued by both parties.	_____	_____ _____ _____
Each party has obtained a mandate to offer specific commitments and timelines and follow through on commitments made.	_____	_____ _____ _____

2. Create tangible value for both parties.

Indicator	Yes/No/NA	Action Required
The objectives of the proposed partnership contribute to the overall goals of each partner.	_____	_____ _____ _____
The outcomes of the proposed partnership are clearly articulated and understood by the parties and their respective organizations.	_____	_____ _____ _____

Indicator	Yes/No/NA	Action Required
Each objective in the joint initiative is supported by actions and accountabilities.	_____	_____ _____ _____
The business objectives of the partnership receive broad community support where applicable.	_____	_____ _____ _____

3. Clarify objectives, expectations, what you offer —what you don't.

Indicator	Yes/No/NA	Action Required
A written memorandum of understanding (MOU), protocol or cooperation agreement exists that outlines the roles of each organization. (This is normally concluded between a corporation and band council.)	_____	_____ _____ _____
The commercial agreement includes performance measures for all expected outcomes, including training, employment and future considerations (diversification, etc.).	_____	_____ _____ _____
The organizations understand what they are and are not responsible for doing.	_____	_____ _____ _____

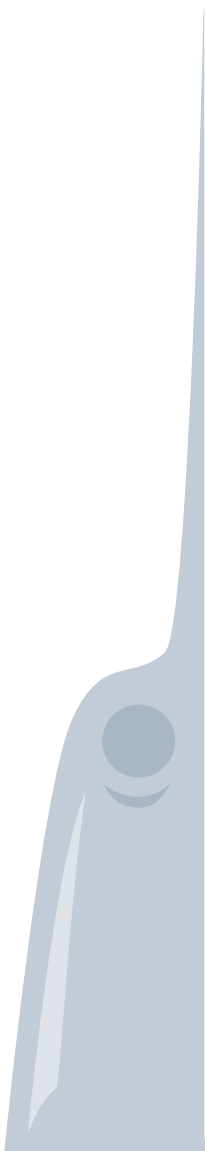
4. Understand the respective business environments/cultures, learn and be flexible.

Indicator	Yes/No/NA	Action Required
The organizations have taken measures to learn the other's business culture (e.g., cross-cultural training, professional associations, courses, tours, ceremonies, informal dialogue).	_____	_____ _____ _____

Indicator	Yes/No/NA	Action Required
The partnership and its objectives are understood and accepted at all levels of both organizations.	_____	_____ _____ _____
The organizations have acquired professionals with both the technical skills (i.e., business, accounting, sector-specific skills) and the ability to help bridge the respective cultures.	_____	_____ _____ _____
The organizations have created specific plans to further develop the skills and opportunities for Aboriginal people through the partnership.	_____	_____ _____ _____

5. Assess the readiness of both your organization and your partner organization and address deficiencies.

Indicator	Yes/No/NA	Action Required
Aboriginal Business:		
A strong chief and council support business with policies and resources.	_____	_____ _____ _____
Clear decision-making structures and lines of accountability between political and business objectives are in place.	_____	_____ _____ _____
Business manager(s) have sufficient resources.	_____	_____ _____ _____
You are prepared to assume risk and bring something of value to the partnership (money, access to capital, trained employees, etc.)	_____	_____ _____ _____
You are prepared to hire experts, importing them if they don't exist in your community.	_____	_____ _____ _____



You have selected a corporate partner with the ability to invest and/or be creative in its approach to start-up.

You have conducted due diligence research on your potential partner. (Have they worked with other First Nations? Seek feedback.)

Corporate Business

You have obtained a clear and detailed mandate, budget allocations, action plan and accountabilities from senior management. To get the organization positioned to meet the objectives, you are involving departments and individuals who will be responsible for results.

You are looking for political and community stability and support for business contribution to community plans.

You are investing time in training and/or mentoring and communicating with the community to transfer knowledge.

6. Understand the role of timing.

Indicator

Yes/No/NA

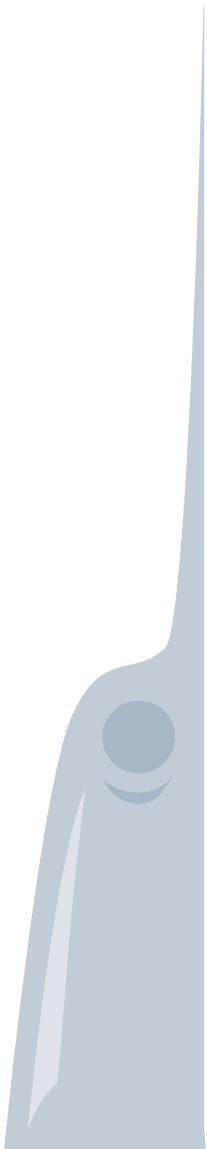
Action Required

The corporation has included Aboriginal communication and activities in support of Crown consultation (if required) early in the design phase.

The corporation(s) and Aboriginal business(es) have established an ongoing level of trust that will facilitate future plans.

7. Look to the long term and plan.

Indicator	Yes/No/NA	Action Required
The revenue stream is invested in accordance with overall community and corporate plans.	_____	_____ _____ _____
Diversification plans have been developed based on sound market research.	_____	_____ _____ _____
The business relationship is or will become multi-faceted.	_____	_____ _____



Appendix A: ***Participants in the Study***

The Industry Council for Aboriginal Business gratefully acknowledges the participation of the following organizations in its interviews:

Companies

1. Vincer International
2. Best Western Tin Wis Resort
3. Grant Thornton (GT Hiring Solutions)
4. Golder Associates Ltd.
5. Teck Cominco
6. Kuok Group
7. Hayes Forest Services
8. Terasen Gas
9. Polaris Minerals
10. Petro-Canada
11. Royal Bank of Canada
12. Dave Formosa Holdings
13. Ensign Drilling

First Nations/Aboriginal Businesses

1. Osoyoos Indian Band/Development Corporation
2. Old Massett Village Council (Haida)/kluu laanas Economic Development Corporation/Haida Environmental
3. Tsleil-Waututh First Nation
4. Tla-o-qui-aht First Nation
5. Ditidaht First Nation
6. Cowichan Tribes/Khowutzun Development Corporation
7. Hupacasath First Nation
8. Fort Nelson First Nation
9. Sliammon First Nation/Economic Development Corporation
10. Kaska Dena/Ross River Dena/Kaska Minerals Corporation

Other Participants

1. ACCESS
2. Aboriginal Employment Participation Initiative

Appendix B: ***Methodology and Interview Questions***

The sponsoring organizations commissioned this study with the goal of providing some insights into the types of joint corporate-Aboriginal partnerships that are emerging in British Columbia and the Yukon and the factors that led to their success. The terms of reference specifically sought to:

- identify the elements of successful relationships and effective practices of corporate and Aboriginal organizations in achieving them
- provide an overview of types of corporate-Aboriginal initiatives
- highlight case studies that illustrate the elements of effective initiatives
- review the elements of success in the British Columbia context
- develop a self-assessment tool that ICAB members may use to assess their own initiatives from the information provided about successful corporate-Aboriginal relationship-building, factors contributing to successes and failures, and strengths and challenges from both the corporate and Aboriginal perspectives

The study is based on current literature on indigenous community economic development, particularly in North America, and confidential interviews with B.C. First Nations, Aboriginal economic development corporations, Aboriginal businesses and non-Aboriginal corporations. These interviews were conducted in person and by telephone from March to July of 2004.

The cases included in this study were selected from over 40 partnerships identified by the researchers. Selection criteria for inclusion provided for a cross-section of cases by geographic area and economic sector. In 12 of 13 cases included in the research, both the Aboriginal and corporate partners were interviewed. Five cases were augmented by project-specific background information for detailed analyses. These appear as case studies in the main body of the report.

Interviewees were provided with transcripts of their discussions with the interviewer and asked to verify their accuracy.

Interview Questions

Questions for both -

SPECIFIC

1. Why was the initiative undertaken? What was the business case (long-term strategy, short-term operational needs, invitation by a company/First Nation to participate in a project/program)?
2. How were objectives/deliverables determined? Did you discuss how to manage expectations to keep objectives realistic (e.g., readiness for large projects, infrastructure)?
3. Was a decision-making process or protocol established? Why? What role did process play in the initiative? How was it managed (e.g., what is the certainty of leadership for both parties—does the agreement survive the next band election? Does the industry partner understand the role of community consensus)?
4. Who is/was responsible for decisions, funding, implementation? Does/did the decision-making process effectively move you to desired outcomes?
5. Who else was involved (other participants, including suppliers and services organizations)? If so, in what way was it valuable?
6. What did/does the initiative accomplish? To what extent did it achieve its intended results?
7. What did you learn from the initiative?
8. Do you communicate this activity and its results? If yes, to whom?
9. What worked well in this initiative?
10. What could have been improved in this initiative?
11. Can you suggest guiding principles that have been important to your relationship-building project/program?
12. How well did you understand your partners' objectives and motivation? How did this influence the program/project?

GENERAL

13. List five suggestions for building an effective relationship with (Aboriginal organizations/corporations).
14. What resources are needed to conduct business with a business/corporation?
15. Does your organization support relationship-building with programs internally? If yes, what are they (e.g., regular meetings, cross-cultural, employment, business development, education and training, social/cultural)?



Appendix C:

Project Summaries

The “elements of success” were created from the five projects described in detail in section 3 and the eight projects summarized below. In each case, the parties to the joint initiatives have graciously provided their contact information. As with the five projects featured in section 3, the descriptions below vary in terms of the type of partnership (e.g., simple contract to complicated joint venture) and detail provided by interviewees. As a result, the format of the project summaries varies from case to case.

Case No. 9: Best Western Tin-Wis Resort—Tla-o-qui-aht First Nation and Best Western Hotels

Partners and Contact Information:

Tin Wis Resort

Howard Tom, Chairman
Garth Elrick, General Manager
Phone: (250) 725-4445
Email: manager@tinwis.com
URL: www.tinwis.com

Category: Vancouver Island North

Sector: Hospitality/Hotel

Type: Franchise

Project Overview

Tin Wis, as the Tla-o-qui-aht know the property, means “calm waters.” The Tin Wis Resort is located on land belonging to the Tla-o-qui-aht First Nation, and until 1982 it was occupied by the Christie Residential School. This area was used by Tla-o-qui-aht ancestors as a stopover to prepare whales after a successful hunt in preparation for their winter inland.

The original building housing the residential school was first acquired under a one-year lease from Indian and Northern Affairs Canada for administration purposes. This was followed by a renewal of three years and a successful application to include the property in the Tla-o-qui-aht’s reserves.

A community survey conducted as part of a planning process directed the appointment of a board and use of the facilities for members’ cultural and recreational purposes. However, these uses were not generating enough revenue to be self-sustaining, and after two years, the mandate of the board was revised to pursue economic development. The goal was to operate independently of government and band funding.

After a period of incremental growth and increasing demand for hospitality units in the region, the community tore down the residential school buildings, approached Best Western Hotels to negotiate a franchise and constructed a 55-unit resort. At the behest of community elders, the design of the Tin Wis reflects local Nuu-cha-nulth culture.

The Nuu-cha-nulth dream of establishing a destination resort dates back to the early 1970s. The resort opened in 1994 and today operates as an 86-room, award-winning resort with Aboriginal employment of 70 percent. Employees were responsible for the Tin Wis receiving the B.C. and Yukon Hotels Association award in 2003 for outstanding housekeeping.

Partnering with Best Western provides training, marketing, name recognition and a high level of standards that have established Tin Wis as a world-class resort. General Manager Garth Elrick estimates that the Best Western name attracts 10 to 15 percent more revenue and sets them up as a solid operation. “We promote them and it’s a good marriage and a good relationship.”

According to Mr. Elrick, financing was a major challenge for the Tla-o-qui-aht. Turned down by commercial banking interests, the community had to look to creative sources of financing from non-banking organizations. Subsequent growth was financed by the Clayoquot Sound Central Region Economic Working Group Fund, Business Development Canada and the Nuu-cha-nulth Economic Development Corporation.

Case No. 10: Eht'oni Drilling Rig—Fort Nelson First Nation and Ensign Drilling

Partners and Contact Information:

Fort Nelson First Nation

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Ensign Drilling Inc. (Calgary)

Bob Geddes, President, Canadian Operations

Phone: (403) 260-6250

Email: bgeddes@ensigngroup.com

URL: www.ensigngroup.com/services/can_drill.html

Category: Northeast B.C.

Sector: Oil and Gas; Drilling

Type: Joint Venture

Project Overview

The Eht'oni, a state-of-the-art, \$8 million oil and gas rig, was commissioned in December 2003 in Fort Nelson amid one of the busiest drilling seasons in the region. A 50-50 joint venture between Fort Nelson First Nation and Ensign Drilling, the project was also made possible by EnCana Corporation, which contracts the rig on a guaranteed first up and last down priority over a period of two years.

Risk-taking is essential to business success. If you have nothing to lose, the venture holds no value: you will not ask enough questions or invest the energy needed to make the business work. – Bob Geddes, Ensign Drilling

While joint rig projects are common in Alberta and the Northwest Territories, British Columbia had not yet brought them successfully into operation. Chief Liz Logan approached Bob Geddes of Ensign and Andy Popko of EnCana to talk about opportunities.

After conducting a comprehensive community planning exercise, called “Reaching for our Vision,” the Fort Nelson First Nation charted a course for economic development with a goal of

being free from governmental ties, financially independent and self-reliant. For too many years, Chief Logan says, community members watched equipment and jobs pass them by. For their part, the companies prefer to employ locally: local knowledge adds value to operations and saves the cost of bringing workers in from outside the area.

The partners plan to have the project operate under the guidance of a board with day-to-day operations managed by Ensign. In addition to revenue flowing from rig operations, the project will employ band members, give them a role in development on their lands, and provide an opportunity for leaders to learn about business with the help of established players.

Chief Logan credits EnCana and Ensign for their efforts to understand the community and for following through on their commitments. “Companies mess up when they pay lip service to our objectives and fail to establish a relationship with us,” she says. Success is measured by the indicators set out in the community plan: unemployment in the Fort Nelson First Nation is relatively low, revenue streams are funding community infrastructure and the transfer of business expertise is opening doors for further opportunities.

Case No. 11: TAKaya Developments Ltd.—Tseil-Waututh First Nation and Kuok Group

Partners and Contact Information:

Tseil-Waututh First Nation

Chief Leonard George

Native Strategic Investment Ltd.

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Kuok Group

Loong Keng Lim

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Category: Vancouver North Shore

Sector: Property Development

Type: Joint Venture

Project Overview

Takaya Developments is the general partner of the limited partnership responsible for the developments Raven Woods, Legend, Windsong, Deerfield and Deerfield by the Sea in the Lower Mainland of British Columbia. TAKaya also created the TAKaya Golf Centre and Driving Range and an eco-tourism venture.

The Tsleil-Waututh set aside 5 of 85 acres of their lands for residential and other small developments and issued a request for proposals to find a partner suitable for joint initiatives. After interviewing 18 prospects, the First Nation felt they would be expected to carry too much risk (lease, financing, etc.) and set the exercise aside. Leonard George approached long-time friend Loong Keng Lim and despite being unable to find a strong business case for the idea, Lim continued the talks until they could find a basis for moving forward.

Twelve years later, Lim works in a trailer located in the reserve community and has navigated a course to profitability together with the Tsleil-Waututh. The commercial agreement provides for an executive committee representing the entities equally, profit sharing and transfer arrangements, and spin-off opportunities related to construction (e.g., set-asides) and mentoring.

The Tsleil-Waututh adopted a custom form of election that gives voice to each of the major family groupings comprising the nation. Although there is no economic development corporation, TAKaya operates independently from political interference mostly because community members are seeing positive results. The revenues have contributed to a dramatic improvement of conditions on reserve. Substance abuse has plummeted from 70 percent to just 1 percent, new and rejuvenated infrastructure and services are enhancing quality of life and the idea of entrepreneurship is flourishing.

Case No. 12: Eagle Rock Minerals Ltd.—Hupacasath First Nation and Polaris Minerals

Partners and Contact Information:

Hupacasath First Nation

Chief Judith Sayers, Director, ERM
Chief Councillor
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Polaris Minerals Corporation

Marco Romero, CEO
Phone: (604) 915-5000
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Category: Vancouver Island Central

Sector: Mining

Type: Joint Venture

Project Overview

Eagle Rock is a British Columbia private sector and First Nations partnership company that was formed in 2002 to hold the interests between Polaris Minerals Corporation, the Hupacasath First Nation and the Ucluelet First Nation. The partnership's objective is to develop the proposed \$100 million Eagle Rock quarry on the shore of Alberni Inlet, about 15 kilometres south of Port Alberni on Vancouver Island. The Hupacasath and Ucluelet are both members of the Nuu-chah-nulth Tribal Council, whose traditional territories include the Eagle Rock quarry site on the shore of Vancouver Island's Alberni Inlet. The Tseshah First Nation also includes the quarry site within its traditional territory and has been invited to join the Eagle Rock partnership.

The project will include a quarry, plant site, stockpiling areas, conveyors and other facilities, in addition to an associated ship-loading facility.

The company's long-term development plan calls for annual marine shipments of up to 6 million tonnes of construction aggregate to major California coastal markets over at least 100 years. The Eagle Rock quarry has the potential to become one of the largest volume producers of

construction aggregate materials on the west coast of North America.

Eagle Rock has demonstrated commitment to environmental excellence and meaningful community involvement in its planning and development. In late 2003 it obtained an environmental assessment certificate and a mine permit from the government of British Columbia, following an extensive public consultation and regulatory review process that received very strong community support. Eagle Rock is now advancing to secure marketing partnerships, regulatory approvals for its receiving port terminals in California and a cost-effective bulk shipping solution to its long-term transportation needs.

The board is chaired by Dr. Judith Sayers, chief of the Hupacasath First Nation, and directors include four seasoned industrial minerals professionals and Norman Taylor, executive director of Ucluelet First Nation. A letter of agreement paved the way for the joint venture and creation of the board. Chief Sayers notes that the initial process was lengthy, but that investment proved valuable to the partners. Polaris provided “due diligence” funding to enable the First Nations to assess both the proposal and the company’s track record in business and environmental performance. This, combined with extensive community engagement, provided community support for the project that eased the various project approvals processes.

Chief Sayers emphasizes that the company has been a real partnership each step of the way with the First Nations owning 30% and shaping the priorities to benefit the long-term future of their communities. In addition to anticipated revenues, Hupacasath is preparing its members with training and information that will position them to fill jobs at all levels from semi-skilled labour to management. The community is also identifying its priorities for community development in the areas of governance, spin-off business, culture, language, youth and elders. Unique to this development is the creation of a community trust that will receive 10 cents per tonne to be invested in the community and managed by an independent board.

Case No. 13: Khowutzun Development Corporation—Cowichan Tribes and Terasen Gas

Partners and Contact Information:

Khowutzun Development Corporation

Ted Williams, Business Development Officer

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Terasen Gas

Dwain Bell

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URL: www.terasengas.com

Category: Vancouver Island

Sector: Construction

Type: Contract/Joint Venture

Project Overview

Khowutzun Mustimuhw Contractors (KMC), which operates under the umbrella of Khowutzun Development Corporation, grew from a 1989 agreement between visionary leaders of Cowichan Tribes and Westcoast Energy’s Pacific Coast Energy Corporation to explore opportunities for Cowichan related to the natural gas transmission line project to Vancouver Island. Then chief, the late Dennis Alphonse, approached the corporation seeking opportunities for his community. After discussing broad options, Westcoast responded by helping to find a joint venture partner that could position Cowichan to participate in the construction of distribution lines.

KMC partnered with Northern Pipeline for five years, consistently winning contracts to construct distribution lines for Terasen Gas Vancouver Island (then Centra Gas). In 1996, Khowutzun Development Corporation (KDC) bought Northern out and has grown today to become a diversified operation with fine lines of business that generate \$22 million in revenue and at the peak of their operating year employ over 300 people in the Cowichan Valley.

In addition to its reputation for training and developing employees, KDC develops investment criteria according to three priorities:

- Create social and economic impact through ownership and strategic partnerships.
- Generate meaningful employment.
- Generate management expertise.

Ted Williams, points with pride to numerous accomplishments made possible by the partnership. Training plus opportunity, he says, have yielded a stable and well-managed business that has attracted several other partners, access to commercial lenders on favourable terms, millions of dollars invested in infrastructure and the creation of a true economy for the Cowichan community.

Case No. 14: **Petroleum Employment** **Career Training Program—** **Doig River and Fort Nelson** **First Nations and Petro-** **Canada and other petroleum** **producers**

Partners and Contact Information:

Fort Nelson First Nation

Samantha Kotchea, Employment Coordinator

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Petro-Canada

John Young, Manager Aboriginal Relations

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URL: www.petro-canada.ca

Category: Northeastern B.C.

Sector: Oil and gas

Type: Training Program

Project Overview

The Petroleum Career Employment Training Program is a partnership of major producers, regional oil and gas field service companies, First

Nations, local and government organizations. In northeastern British Columbia, the program has run in both the Fort St. John and Fort Nelson regions. Each is coordinated by a steering committee composed of the major partners/ contributors and facilitated by Northern Lights College.

The 10-month program was created to meet industry workforce demands and help local communities take part in employment opportunities available in the oil and gas industry. Trainees are given access to positions as trades helpers or apprentices, production operator trainees, vehicle and heavy equipment operator trainees or oil field rig and maintenance workers. They participate in intensive in-class training and practical work experience focusing on five key learning components:

- Safety training
- Employment skills training
- Industry skills training
- Academic upgrading
- Self-enhancement

Fort Nelson area companies experiencing labour shortages are eager to develop local residents for employment. In addition to accessing sources of trained employees, the project builds close working relationships among industry and community organizations working toward common objectives.



Case No. 15:
Aboriginal Employment
Participation Initiative—
Province of British Columbia/
Metis Provincial Council and
Royal Bank of Canada

Partners and Contact Information:

Aboriginal Employment Partnership Initiative

Jeannie Cranmer

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Royal Bank of Canada

Gail Murray

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URL: www.royalbank.com

Category: British Columbia

Sector: Banking

Type: Employment Program

Project Overview

The Aboriginal Employment Partnership Initiative (AEPI) is a program designed to enhance employment and understanding of Aboriginal people within public and private sector organizations. An Economic Measures Fund agreement between the Metis Provincial Council of British Columbia (MPCBC) and the Ministry of Community, Aboriginal and Women's Services, the AEPI creates partnerships with employers and governments to identify employment and procurement opportunities for Aboriginal people.

The Royal Bank entered into an agreement with AEPI and the Province of British Columbia in July 2004. The agreement consists of six components: a signing ceremony, workplace audit (including recommendations for an Aboriginal human resources strategy), employer-led steering committee, occupational audit (types and numbers of occupations available), procurement audit and cross-cultural training. The steering committee has been established to coordinate the process and convey results.

Once information is collected, AEPI will develop a communication strategy to share the information with Aboriginal communities and service organizations through databases, reports available on the MPCBC website and other organizations' websites.

Case No. 16:
Lund Hotel—Sliammon First
Nation and Dave Formosa
Holdings

Partners and Contact Information:

Sliammon Development Corporation

Phone: (604) 483-7777

URL: http://www.sliammon.com/development_corporation/index.html

Lund Hotel

Dave Formosa

Managing Partner

Phone: (604) 485-6080

Email: davic83@shaw.ca

Area: Sunshine Coast

Sector: Hospitality/Hotel

Type: Joint Venture

Project Overview

Located in the traditional territory of the Sliammon First Nation, the 27-room Lund Hotel was originally built at the turn of the 19th century to serve coastal traffic. The hotel closed briefly in 1998 and was purchased a year later by Sliammon First Nation and businessman David Formosa. Following a major restoration, the hotel reopened in 2000.

Sliammon Development Corporation manages the business interests of the First Nation, with a mandate to establish an economic base and manage assets through and by sustaining businesses, with an emphasis on generating profits. It purchased 51 percent of the Lund Hotel in the joint venture, and the hotel employs two community members.

Appendix D

Service and Government Agencies

Below is a list of service and government agencies mentioned in the report or involved with the Industry Council for Aboriginal Business.

Indian and Northern Affairs Canada.

See the website for capital funding programs: www.ainc-inac.gc.ca/nr/prs/m-a2000/00139bk_e.html

Industry Canada.

Aboriginal Business Canada.
Business support programs and funding.
<http://strategis.ic.gc.ca/epic/internet/inabc-eac.nsf/en/home>

Aboriginal Business Services Network. Information, on-line workshops and tools for businesses.
<http://smallbusinessbc.ca/startup/absn.php>

Western Economic Diversification Canada.
www.wd.gc.ca/ced/default_e.asp

British Columbia Ministry of Community, Aboriginal and Womens' Services.
www.mcaaws.gov.bc.ca/fcfund/

EcoTrust Canada.
www.ecotrustcan.org/index.shtml

Business Development Bank of Canada.
www.bdc.ca/en/i_am/Aboriginal_entrepreneur/default.htm?cookie%5Ftest=1

National Aboriginal Capital Corporation Association.
www.nacca.net/

Canadian Bankers' Association:
Understanding the Regulatory Environment for On-Reserve Lending.
www.cba.ca/en/viewdocument.asp?fl=3&sl=89&tl=90&docid=450&pg=1

Appendix E

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