

## APPENDIX 1

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

### I. COMPREHENSIVE MIND SET & STRATEGIC APPROACH TO KEY FUNCTIONS

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

#### *Policy*

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

#### *Program*

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

#### *Intermediary*

- A strategic plan that is mission focused and contextually relevant (that is, defines development targets and priorities derived from a SWOT analysis) and which defines the intermediary role unambiguously in relation to key functions important to strengthening the aboriginal economic base.
- Defined partnerships and strategic networking activities relevant to linking the priority function(s) of the intermediary to other key economic development functions important to strengthening the economic base of aboriginal communities.

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- Clear specification of service and facilitation objectives relevant to communities/constituency, including definition of both intermediary and community level responsibilities and authorities.
- Defined progress measures inclusive of appropriate process, perceptual and footprint indicators.

#### *Community/Base Constituency*

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

### **A. Six Key Functions**

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

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

#### *Policy*

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

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

### *Intermediary*

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

### *Community/Base Constituency*

- Recognition of planning and research capacity as key.
- Planning and research function exists and is active in assessing progress, including strengths and weakness of CED organization(s) performance in addressing specified development priorities.
- Evidence of results based learning impacting ongoing strategic planning and application of resources to development priorities.
- Evidence of level of consensus among leadership at board and staff levels re: mission, goals and priorities of the relevant CED organizations.

## **2. Building Community Equity and Aboriginal Ownership of Economic Assets**

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

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

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base requires that this capital be managed as a scarce and precious resource. Its primary purpose (in communities committed to building greater self-reliance) is to be re-invested in further wealth-creating enterprises that continue the process of building the economic base. During this process, opportunities for employment, training, and small business development are also created.

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

### *Policy*

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

### *Program*

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

### *Intermediary*

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

generated capital for re-investment, actual re-investment) relevant to the market/service area defined within scope of operations.

- Leveraging of other financial resources through investment of equity.

#### *Community/Constituency*

- Objectives, methods and resources defined for improving access to equity (risk capital available for business investment) as key function relevant to increasing aboriginal ownership and increasing community equity available for re-investment.
- Footprint indicators related to community, co-ventures and individual aboriginal business ownership and growth ((# of businesses created, # of businesses expanded, gross sales, profit generation, availability business generated capital for re-investment, actual re-investment) relevant to the market/service area defined within scope of operations.
- Leveraging of other financial resources through investment of equity.

### **3. Ensuring Accessibility of Credit for Business**

The creation of wealth requires not just equity, but credit. Seldom does a community or an individual have sufficient equity or investment capital to pay the all the costs of starting or operating a business.

There are many different types of credit. For example, loans to buy equipment and buildings are usually structured as term loans. The lender usually provides a mortgage in return for interest payments and the security of the assets being bought (collateral). Another type of loan that is crucial to all business is the line of credit for working capital. This kind of loan allows the business to pay its bills on time. Wages need to be paid on a regular basis, even if the business must wait to receive payment.

Without credit, businesses have a hard time getting started, a difficult time operating, and an almost impossible time expanding. Unfortunately, almost all banks are averse to risk. Communities that are struggling to strengthen a local economy must often create new credit initiatives, like Community Futures development corporations (CFDCs), revolving loan funds, Aboriginal Capital Corporations and micro-enterprise loan funds, to cite three examples.

Government agencies also provide credit in some settings, although government has been generally ineffective as loan provider. Agencies such as Western Economic Diversification are increasingly partnering with other organizations (CFDCs, banks, credit unions) to take advantage of their capacity to deliver credit more efficiently and effectively.

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### *Policy*

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

### *Program*

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

### *Intermediary*

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

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- If directly involved in credit provision, linkage of credit policy and targets to overall strategic plan.
- If not directly involved in credit provision, strategy for creation and/or supporting access to business credit.
- Definition and integration of strategic supports for entrepreneurial development (individual, community and regional) relevant to new business start-ups and expansions.
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## **4. Strategic Approach to Human Resource Development**

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

Successful CEDOs work at this agenda in several different ways.

- First, a strategy linking workforce preparation<sup>12</sup> to opportunities is crucial to mobilizing the resources required to improve people's readiness for employment and their knowledge and skills related to specific job opportunities. The same applies to new (and experienced) business people, if the potential for any particular enterprise is going to be realized. This can include a range of entrepreneurial development supports aimed at business start-ups and expansions.
- Second, on-going training and development of leadership at the community and CEDO levels are critical. CED requires continuous learning if the challenges of building self-reliance are to be effectively implemented over time. Leadership is key to sustaining the process for the long haul. For regionally-based CEDOs whose members come from several communities (as is often the case in rural and remote areas), this often means providing training and technical support to increase the capacity of individual communities to strengthen the local economy.
- Third, the CEDOs themselves must have access to on-going training and professional development at the board and staff levels.

### *Policy*

- Recognition of human resource development as a key CED function relevant to sustaining and effectively managing the development effort over

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time. Leadership and CED practitioner development is recognized as a key area of investment.

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

#### *Program*

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

#### *Intermediary*

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

- Evidence of mobilizing training resources targeted at building the capacity of board, staff and key stakeholders relevant to the strengthening CED strategy implementation.
- Competency based assessments focused on determining CED practitioner attitudes and knowledge and skill levels are applied systematically and used to plan program investments and partnership development/management with institutions and organizations involved in CED education and training within the geographic area and defined communities/constituencies.

#### *Community/Constituency*

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

### **5. Strategic Networking & Partnership Development**

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

Strategic networking and partnership building is focused on extending the reach and capacity of the organization to create opportunities to address any of the key functions outlined above. With respect to equity, for example, a strategic partnership could mean take the form of a joint venture that secures the CEDO an important role in a key economic sector. With respect to credit, it could be creating a partnership with a public or private sector institution that

makes credit more accessible to community-based business. With respect to people development, it could mean a partnership with a training or education institution that helps it create programs that meet the priorities of CEDO constituents, like job skills to match the employment opportunities that the CEDO will soon create. The point is, building partnerships is a key means to increase capacity in a community or region.

#### *Policy*

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

#### *Program*

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

#### *Intermediary*

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

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- This function and the specific targets for its implementation are identified and linked to strategic priorities

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

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

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

### *Policy*

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

### *Program*

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

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### *Intermediary*

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

### *Community/Constituency*

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

## **II CLEAR GOVERNANCE & ACCOUNTABILITY FRAMEWORK**

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

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

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

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### III. DEGREE & NATURE OF COMMUNITY PARTICIPATION PATTERNS

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

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

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

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

The strategic leverage of outside resources to augment the implementation of strategic priorities is significantly important. Generally speaking, marshalling resources from within is insufficient in development contexts that are by definition, struggling to address the multiple challenges of addressing economic and social marginalization. Typically, resources of many kinds are in short supply. Similarly, policy makers and program managers are often handicapped by insufficient understanding and experience on the ground with respect what it takes to sustain a positive development process over time. Systematic organization of relationships that can assist each level develop their capacity to be more effective is an important task. Most critical, is to for each level to have access to technical and learning resources that are rooted in best practice, people and organizations have been part of achieving positive change and who understand the challenges and opportunities inherent in forming and implementing CED approaches.

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At the policy and program level, technical assistance resources, both from the aboriginal community and more generally, community economic development, that have demonstrable applied knowledge and skills in achieving solid results, are part of an ongoing process of strategic review of policy and program design, practices and results. Moreover, there are networks (for example, CANDO and the Canadian CED Network) that are systematically thinking about how what works can be scaled up and what policy and program supports need to be in place to effectively condition the application of resources at the intermediary and community level to become more effective.

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

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

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

At the policy level, the outcomes defined must include developmental as well as functional categories. Program design and management must similarly take both into account. Without an adequately framed understanding of the

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importance of the starting point within any particular locality, it is not possible to condition the allocation of development resources in a manner that is appropriately geared to the context within which development action is undertaken.

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

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

## **VI. LEADERSHIP WITH SOCIAL ENTREPRENEURIAL QUALITIES**

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

At the policy level, outcomes should include a commitment to leadership development at the board level of CEDOs, political leadership, and most important, the development of quality EDO’s. It should also support the

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development of standards and the related investments involved in them being realized through strategic partnerships that can build the kind of leadership referred to above. Systematic and regular investment in professional development at every level is necessary but the on the ground capacity is the most critical. At the program level the partnerships necessary to systematically invest in leadership development should be put in place, managed and tracked to assess the standards and results achieved in practitioner development.

At the intermediary and community level, investments in professional and board development need to be tracked and their impacts over time monitored to determine impacts of development practitioners. Networking of EDO's should be implemented as part of a leadership development strategy.